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REGULAR MEETING
4:00 P.M., TUESDAY, MAY 12, 1998
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

AGENDA

98 **1. ROLL CALL**

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. Executive Director's Report

B. Resolution designating the future cruise terminal as the James R. Herman Cruise Terminal, at a site to be later determined by the San Francisco Port Commission. (Resolution No. 98-44)

4. MARITIME

5. REAL ESTATE AND ASSET MANAGEMENT

A. Approval of the Updated Rental Rate Schedule. (Resolution No. 98-34)

6. FACILITIES & OPERATIONS

7. PLANNING & DEVELOPMENT

8. FINANCE & ADMINISTRATION

9. CONSENT CALENDAR

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

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11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) Discussion of Executive Director compensation for the 1998/1999 fiscal year.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Port property located at 817 Terry Francois Blvd.
Person Negotiating:
Port of San Francisco: Jennifer Sobol, Commercial Property Manager, Leasing
Kelly's Mission Rock Restaurant, Inc.: Jim Kelly

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real property negotiations between Kelly's Mission Rock Restaurant, Inc. and the Port regarding Port property located at 817 Terry Francois Blvd.

b. Property: Port property located at Pier One
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development

An executive session has been calendared to instruct the real estate negotiator with respect to responses received for the Request for Interest and Qualifications to Master Lease and Develop Pier 1 for Maritime-Related Office Uses.

(3) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case)

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792

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12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART station is Embarcadero Station located at Market and Steuart Streets. The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142. There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting. Please contact Kevin Jensen at (415) 274-0555. Late requests will be honored if possible.

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- Minutes of the Meeting in Alternative Formats

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PORT OF SAN FRANCISCO

Ferry Building
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MEMORANDUM

May 8, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution designating the future cruise terminal as the James R. Herman Cruise Terminal, at a site to be later determined by the San Francisco Port Commission.

On March 30, 1998, the San Francisco Board of Supervisors passed Resolution No. 247-98 signed by Mayor Willie L. Brown asking the San Francisco Port Commission to designate an appropriate landmark along the waterfront in memory of Port Commissioner James R. Herman.

At the April 18, 1998 memorial for Commissioner Herman, Mayor Brown asked Port Commission President Denise McCarthy to announce his desire to have the Port Commission name the future cruise terminal in honor of Mr. James R. Herman.

The Port Commission will hold a public hearing on the need to develop a new cruise terminal within the next month. Staff will present the Commission with alternatives for new terminal site, types of adjacent uses, and other operational and financial issues related to building a new cruise terminal.

Even though the decision for a specific site for a new cruise terminal may not be decided for several months, the Port Commission still desires to honor Mr. Herman's service to the Port Commission on a timely basis by dedicating the future cruise terminal in his honor.

One of Mr. Herman's first shipboard jobs was a steward aboard the passenger ship, the Lurline, which transported passengers between Honolulu in San Francisco. During the last years of his tenure on the Commission, he strongly supported efforts to bring more cruise ships to San Francisco as a way to create new jobs for longshoremen. He acknowledged that the cruise industry benefited the Port's tourism-related tenants and maritime businesses like stevedores, pilots and tug companies. Commissioner Herman took a leadership role in seeking changes to the Passenger Services Act (1886) to open up the domestic cruise market.

This Print Covers Calendar Item No. **3B**

Mr. Herman loved San Francisco's waterfront and desired a new cruise facility that would positively reflect our City's stature as an international destination. In the early nineties, he proposed the development of a new terminal in the Southern Waterfront.

During his fourteen-year tenure as a Port Commissioner he supported many projects that enhanced our waterfront for the benefit of visitors and residents alike. It is fitting that a new cruise facility which will be the gateway for cruise passengers visiting San Francisco to be named after Port Commissioner James R. Herman.

Prepared by: Veronica Sanchez, Manager
Governmental Affairs

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-44

WHEREAS, James R. Herman served the City and County of San Francisco for fourteen years as a member of the San Francisco Port Commission; and was a passionate advocate of promoting jobs in maritime businesses; and

WHEREAS, In the last years of his tenure, Commissioner Herman took a leadership role in pursuing new cruise business for San Francisco that would generate new jobs for longshore workers, stevedores, pilots, tug boat operators and ship repair yards; and

WHEREAS, Since the early nineties, Commissioner Herman took the lead in proposing plans to build a new cruise terminal that would better serve the cruise industry and positively reflect on San Francisco's stature as an international destination; and

WHEREAS, The Port Commission is ready to begin public hearings on development plans for a new cruise terminal at a site to be determined; and

WHEREAS, On March 30, 1998, the San Francisco Board of Supervisors passed Resolution No. 247-98, signed by Mayor Willie L. Brown asking the San Francisco Port Commission to designate an appropriate landmark honoring Mr. Herman's legacy to San Francisco's waterfront and his tireless efforts in behalf of workers all over the world; and

WHEREAS, The Honorable Willie L. Brown has requested the Port Commission to design a new cruise terminal in Commissioner Herman's honor; now therefore be it

RESOLVED, That the San Francisco Port Commission hereby designates the future cruise terminal as the "James R. Herman Cruise Terminal" as a tribute to our beloved colleague whose vision, compassion and spirit of service will always be remembered; and be it further

RESOLVED, That a copy of this resolution shall be forwarded to the Board of Supervisors and the Honorable Mayor in appreciation for their leadership in honoring Mr. Herman's legacy. Copies of this resolution shall also be forwarded to Mr. Herman's family, and the ILWU.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of May 12, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
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MEMORANDUM

May 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman
Hon. Frankie Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Adoption of Updated Rental Rate Schedule

DIRECTOR'S RECOMMENDATION: ADOPT UPDATED RENTAL RATE SCHEDULE

BACKGROUND

In 1993, the Port Commission (by Resolution 93-127, as amended by Resolution 93-135) authorized Port staff to enter into leases without specific Port Commission approval of each lease, provided that the leases meet all of the following criteria, which constitute approved Leasing Parameters:

1. The lease is for an office building or bulkhead office space, open or enclosed pier shed space, paved or unpaved open space, or open pier or apron space but is not for a retail use;

2. Except for temporary uses (with terms not exceeding six months), the use under the lease represents a like-kind use to the existing or the immediately prior use of the facility;

THIS PRINT COVERS CALENDAR ITEM NO. 5A

3. The lease is for space included in the current Rental Rate Schedule adopted by the Port Commission, and the lease rent conforms to this Rental Rate Schedule;

4. The tenant signs the Port's standard form lease (adopted by Resolution No. 93-127), with no changes except for minor changes approved by the City Attorney or changes in insurance requirements approved by the City Risk Manager;

5. The lease term does not exceed five years, except that leases of the Fisherman's Wharf Seafood Center at Pier 45 Sheds B and D may have a maximum lease term of ten years (Port Resolution No. 94-122);

6. Rent credits given for tenant improvements do not bring the net effective rent over the term of the lease below the minimum rent parameters (except that rent credits allowed for paint and carpeting up to $5.00 per square foot for full service office buildings are considered "landlord's work" and are not included in calculating the net effective rent); and

7. The lease may include one month of free rent for construction prior to the commencement of rent.

Pursuant to Leasing Parameter 3 above, the Port Commission in the past has periodically approved Rental Rate Schedules, which have set ranges of lease rental rates per square foot and ranges of net effective rental guidelines per square foot by type of use, type of lease, and facility. The Port Commission last adopted a Rental Rate Schedule in September 1995 by Resolution No. 95-79 (as well as by Resolution No. 96-06 regarding fishing gear storage space). Since 1995, the rental market in San Francisco has improved dramatically, and Port staff therefore retained the real estate appraisal firm of Clifford Associates to conduct comprehensive studies of the office rental and industrial rental markets as they relate to the Port's properties. These studies included overall analyses of the respective rental markets, extensive surveys of rental comparables, and surveys of Port properties and lease terms. The studies then identified the market rents for the various Port facilities and adjusted these rents to reflect the condition of the premises and to account for certain unique characteristics of Port facilities and leases, including tenant improvements required, operating expenses and possessory interest taxes paid by tenants, and load factors. The studies then recommended ranges of rental rates for Port facilities after making these adjustments. The findings, conclusions, and recommendations of these studies are presented in two Market Rent Survey Appraisal Reports prepared by Clifford Associates, one for the office market and one for the industrial market.

RECOMMENDATIONS

Based upon the recommendations contained in the Market Rent Survey Appraisal Reports prepared by Clifford Associates, Port staff has prepared a revised Rental Rate Schedule,

which is presented in the attached Exhibit A. This Rental Rate Schedule presents two sets of rental rate ranges. The first, entitled Minimum Initial Lease Rental Rates, presents the ranges of contract rents for the first year of the lease. The second, entitled Minimum Net Effective Rental Rates, presents the ranges of net effective rents calculated over the term of the lease taking into account rent credits or amortization of required tenant improvements to be made by a tenant during the lease term (or during the period after the lease is executed and before the lease term commences).

Regarding office uses, the proposed Lease Rental Rates indicated on the attached Rental Rate Schedule for office space generally represent increases of 40% to 84% as compared to the 1995 schedule. These increases reflect the very dramatic improvement in the office rental market, plus the enhanced desirability of waterfront office properties. However, for some spaces (in particular at Pier 5, Pier 9, and the Pier 26 Annex) the percentage increases are larger because the former rents did not reflect the value of the improvements to be made by the tenants which were to be amortized over the term of their now expired or expiring leases. These costs have now been fully amortized, and any renewal or new leases would reflect the value of these improvements, which would then belong to the Port. (It should be noted that the rents many tenants are currently paying are greater than the Lease Rental Rates stated in the 1995 Rental Rate Schedule).

Regarding industrial uses, generally the Lease Rental Rates indicated on the attached Rental Rate Schedule for shed spaces represent increases of 29-45% for the Northeast Waterfront and South Beach/China Basin, and represent changes of 20% or less for the Southern Waterfront. The proposed Lease Rental Rates for industrial land and open pier space are generally unchanged.

Regarding fishing industry uses, the Lease Rental Rates proposed for wholesaling and processing spaces represent increases of 7-23%. The Lease Rental Rates for fishing gear storage spaces are unchanged.

With the adoption of this Rental Rent Schedule, Port staff will be authorized to enter into leases without specific Port Commission approval of each lease provided that the lease conforms to all the pre-approved Leasing Parameters discussed above, including the Rental Rate Schedule attached to this agenda item. Port staff would not be authorized to enter into leases at rental rates below those shown on the attached Rental Rate Schedule without specific authorization from the Port Commission, but Port staff would be authorized to enter into leases at rental rates above those shown on the attached Rental Rate Schedule when unique characteristics of the premises or continued improvement in the rental markets make such higher rental rates appropriate. This authorization would be conditioned upon Port staff providing the Commission within thirty days following each calendar month a summary of leases entered into and subleases or assignments consented to during that month.

Prepared by: Kirk W. Bennett, Sr. Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-34

WHEREAS, by Resolution No. 93-127, adopted September 8, 1993, this Commission authorized the Executive Director to approve and execute leases that conform to all of the Leasing Parameters set forth in Resolution No. 93-127 and 93-135; and

WHEREAS, said Leasing Parameters provide that leases so approved and executed shall have rents that conform to the Rental Rate Schedule adopted periodically by the Port Commission; and

WHEREAS, Port staff, with assistance from an independent real estate appraisal firm, conducted a comprehensive survey of current office and industrial rental markets and has prepared and recommended an updated Rental Rate Schedule attached hereto as Exhibit A; now therefore be it

RESOLVED, that this Commission hereby approves and adopts the Rental Rate Schedule, attached hereto as Exhibit A; and be it further

RESOLVED, that Port staff shall provide to the Commission within thirty days following each calendar month a summary of leases entered into and subleases or assignments consented to during that month.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 12, 1998.

_____
Secretary

EXHIBIT A
RENTAL RATE SCHEDULE

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
OFFICE SPACE USES:			
FULL SERVICE GROSS LEASES:	CLASS B		
	Ferry Building		
	Interior	$1.50 - 1.94	$1.50 - 1.70
	Exterior	$2.12 - 2.59	$2.12 - 2.35
	Roundhouse Plaza	$1.93 - 2.41	$1.87 - 2.10
	CLASS C		
	Agriculture Building	$1.39 - 2.12	$1.34 - 2.12
	401 T. Francois	$1.50 - 1.68	$1.50 - 1.56
NET LEASES:	CLASS A – Pier 5	$2.31 - 2.77	$2.31 - 2.53
	CLASS B		
	Pier 9 & Bulkhead Building	$1.75 - 2.31	$1.64 - 1.83
	Pier 26 Annex	$1.93 - 2.31	$1.81 - 1.95
	CLASS C		
	Piers 1-19 & Bulkhead Bldgs.	$1.38 - 1.85	$1.31 - 1.37
	Pier 27 Annex	$1.20 - 1.38	$1.20 - 1.27
	Pier 29 Annex	$1.02 - 1.20	$1.02 - 1.08
	Pier 33-35 Bulkhead Bldgs.	$1.29 - 1.85	$1.29 - 1.73
	SWL 303	$1.75 - 2.22	$1.68 - 1.74
	Piers 26-28 Bulkhead Bldgs.	$1.38 - 1.57	$1.03 - 1.10
	Piers 48-50	$1.02 - 1.20	$1.02 - 1.08
	501 Cesar Chavez	$1.12 - 1.30	$0.97 - 1.18
INDUSTRIAL SHED USES:**			
INDUSTRIAL GROSS LEASES:	NORTHEAST WATERFRONT		
	Pier 9 – 35	$0.43 - 0.58	$0.43 - 0.52
	SOUTH BEACH/CHINA BASIN		
	Piers 26 - 28	$0.39 - 0.58	$0.39 - 0.52
	Piers 48 – 50	$0.39 - 0.58	$0.39 - 0.55

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
	SOUTHERN WATERFRONT		
	SWLs 337, 339, 343, & 354	$0.29 - 0.48	$0.29 - 0.48
	Pier 80	$0.29 - 0.48	$0.29 - 0.43
	Pier 92 & SWLs 344 & 349	$0.24 - 0.48	$0.24 - 0.43
OPEN LAND AND PIER SPACE USES:			
INDUSTRIAL GROSS LEASES:	NORTHEAST WATERFRONT	$0.15 - 0.25	$0.15 - 0.25
	SOUTH BEACH/CHINA BEACH	$0.15 - 0.20	$0.15 - 0.20
	SOUTHERN WATERFRONT	$0.10 - 0.20	$0.10 - 0.20
FISHING INDUSTRY USES:			
INDUSTRIAL GROSS LEASES:	FISH WHOLESALING & PROCESSING SPACE		
	Pier 45 Sheds	$0.48 - 0.50	$0.46 - 0.48
	Fish Alley Sheds	$0.48 - 0.50	$0.46 - 0.48
	Piers 28 & 33	$0.43 - 0.45	$0.41 - 0.43
	699 Illinois	$0.48 - 0.58	$0.48 - 0.58
	Aprons	$0.15 - 0.20	$0.14 - 0.19
LICENSES:	FISHING GEAR STORAGE	$0.10	$0.10

* Minimum Net Effective Rents after possible rent credits or allowances for needed tenant improvements to be made by tenants. These Minimum Net Effective Rates include paint and carpet and other improvements typically made by landlords. These Minimum Net Effective Rents exclude any leasing commissions due real estate brokers pursuant to the Port's Policy for Payment of Brokers' Commissions.

** Some industrial shed spaces include extensive tenant improvements, such as walls, utilities, and ancillary offices, which increase the rental value of these particular spaces. For such spaces not used by the fishing industry, the initial lease rent ranges should be increased by $0.10 – 0.40 monthly per sq. ft.

SAN FRANCISCO
PORT COMMISSION

MAY 12, 1998
MINUTES OF THE REGULAR MEETING

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HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. FRANKIE G. LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
TUESDAY, MAY 12, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:05 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Michael Hardeman and Frankie Lee.

2. APPROVAL OF MINUTES

3. EXECUTIVE

A. Executive Director's Report

(1) Mr. Wong invited the Commission and the public to the 15th Annual Whaleboat Race that will be held tomorrow, starting at 10:00 a.m. at the Port promenade, south of the Agriculture Building. Teams of rowers will be representing the Port of Oakland, the San Francisco Bar Pilots, American President Lines and BHP Shipping and the International Trade Council, etc. The Port of San Francisco will also be represented with teams in the men's and co-ed race.

(2) Mr. Wong indicated that in December, he announced that Crystal Cruise Line had selected San Francisco as the homeport for their six-star Crystal Harmony during the 1999 Alaska Season.

Last year, Princess decided not to homeport a vessel in San Francisco for this summer's Alaskan season. In an effort to attract back this and other cruise business, staff, along with our cruise terminal operator, Metropolitan Stevedore Company, crafted an incentive package aimed at getting lines to base their Alaskan itineraries from San Francisco. As a result, Princess Cruises confirmed that San Francisco will be the homeport for their vessel, the Sky Princess, during the 1999 summer season. The Sky Princess will grace our waterfront for 13 sailings to Alaska. This business, along with the Crystal Cruise bookings, will give the Port over 20 sailings in the summer of 1999, estimated to generate $10 million in economic impact within the local economy.

He thanked Gerry Roybal, Veronica Sanchez and Peter Dailey for their efforts in getting Princess Cruise back to San Francisco.

B. Resolution designating the future cruise terminal as the James R. Herman Cruise Terminal, at a site to be later determined by the San Francisco Port Commission. (Resolution No. 98-44)

For this item, Commissioner McCarthy relinquished the chair to Vice President Brandon.

Commissioner McCarthy then introduced the resolution honoring James R. Herman. She indicated that on March 30, 1998, the Board of Supervisors passed a resolution signed by Mayor Brown asking the Port Commission to designate an appropriate landmark along the waterfront in memory of Port Commissioner James Herman.

Commissioner McCarthy stated that at the April 18, 1998 memorial for Commissioner Herman, Mayor Brown asked her to announce his desire to have the Port Commission name a future cruise terminal in honor of Mr. Herman.

In the near future, the Port Commission will hold a public hearing on the need to develop a new cruise terminal. Staff will present the Commission with alternatives for new terminal site, types of adjacent uses, and other operational and financial issues related to building a new cruise terminal.

One of Mr. Herman's first shipboard jobs was as a steward aboard the passenger ship, the Lurline, which transported passengers between Honolulu and San Francisco. During the last years of his tenure on the Commission, he strongly supported efforts to bring more cruise ships to San Francisco as a way to create jobs for longshoremen. He acknowledged that the cruise industry benefited the Port's tourism-related tenants and maritime businesses like stevedores, pilots and tug companies. Commissioner Herman took a leadership role in seeking changes to the Passenger Services Act to open up the domestic cruise market.

During his fourteen-year tenure as a Port Commissioner, he supported many projects that enhanced our waterfront for the benefit of visitors and residents alike. It is fitting that a new cruise terminal which will be the gateway for cruise passengers visiting San Francisco to be named after Port Commissioner James R. Herman.

Commissioner Lee indicated that this is the least we can do for Commissioner Herman. He has done a great job for the Port and the waterfront.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-44 was adopted.

4. MARITIME

5. REAL ESTATE AND ASSET MANAGEMENT

A. Approval of the Updated Rental Rate Schedule. (Resolution No. 98-34)

Mr. Kirk Bennett, Senior Property Manager, indicated that the Port Commission in 1993, authorized Port staff to enter into leases without specific Port Commission approval of each lease, provided that the leases meet all of the leasing criteria established by the commission. Following the approval by the commission of the leasing parameters and the expansion of the Real Estate staff, the real estate staff was able to triple the annual volume of consummated leases as well as able to focus on major lease transactions. Commercial industrial rents have consequently increased 43% since 1993. The leasing parameters established by the Commission are as follows:

1. The lease is for an office building or bulkhead office space, open or enclosed pier shed space, paved or unpaved open space, or open pier or apron space but is not for a retail use.

2. Except for temporary uses (with terms not exceeding six months), the use under the lease must represent a like-kind use to the existing or the immediately prior use of the facility or similar or compatible with the other uses in a multi-tenant facility.

3. The lease is for space included in the current Rental Rate Schedule adopted by the Port Commission, and the lease rent conforms to this Rental Rate Schedule.

4. The tenants signs the Port's standard form lease with no changes except for minor changes approved by the City Attorney or changes in insurance requirements approved by the City Risk Manager.

5. The lease term does not exceed five years, except that leases of the Fisherman's Wharf Seafood Center at Pier 45 Sheds B and D may have a maximum lease term of ten years.

6. Rent credits given for tenant improvements do not bring the net effective rent over the term of the lease below the minimum rent parameters.

7. The lease may include one month of free rent for construction prior to the commencement of rent.

8. If the lease does not comply with all of the leasing parameters, the Port Commission must specifically approve the lease.

Pursuant to this leasing parameter policy, the Port Commission in the past has periodically approved rental rate schedules. The Port Commission last adopted a Rental Rate Schedule in September 1995. Since 1995, the rental market in San Francisco has improved dramatically, and Port staff therefore retained the real estate appraisal firm of Clifford Associates to conduct comprehensive studies of the office rental and industrial rental markets as they relate to the Port's properties. These studies included overall analyses of the respective rental markets, extensive surveys of rental comparables, and surveys of Port properties and lease terms. The studies then identified the market rents for the various Port facilities and adjusted these rents to reflect the condition of the premises and to account for the unique characteristics of Port facilities and leases, including required tenant improvements, operating expenses and possessory interest taxes paid by tenants and load factors. The studies then recommended ranges of rental rates for Port facilities after making these adjustments. The findings, conclusions, and recommendations of these studies are presented in two Market Rent Survey Appraisal Reports prepared by Clifford Associates, one for the office market and one for the industrial market.

Based upon the recommendations contained in the Market Rent Survey Appraisal Reports prepared by Clifford Associates, Port staff has prepared a revised Rental Rate Schedule. The Rental Rate Schedule presents two sets of rental rate ranges. The Minimum Initial Lease Rental Rates presents the ranges of contract rents for the first year of the lease. The Minimum Net Effective Rental Rates presents the ranges of net effective rents calculated over the term o the lease taking into account rent credits or amortization of required tenant improvements to be made by a tenant during the lease term (or during the period after the lease is executed and before the lease term commences.)

Regarding office uses, the proposed Lease Rental Rates indicated in the Rental Rate Schedule for office space generally represent increases of 40% to 84% as compared to the

1995 schedule. These increases reflect the very dramatic improvement in the office rental market, plus the enhanced desirability of waterfront office properties. However, for some spaces (in particular at Pier 5, Pier 9 and the Pier 26 Annex), the percentage rent increases are higher because the former rents did not reflect the value of the improvements to be made by the tenants which were to be amortized over the term of their now expired or expiring leases. These costs have now been fully amortized and any renewal or new leases would reflect the value of these improvements, which would then belong to the Port.

Regarding industrial uses, generally the Lease Rental Rates indicated in the Rental Rate Schedule for shed spaces represent increases of 29-45% for the Northeast Waterfront and South Beach/China Basin, and represent changes of 20% or less for the Southern Waterfront. The proposed Lease Rental Rates for industrial land and open pier space are generally unchanged.

Regarding fishing industry uses, the Lease Rental Rates proposed for wholesaling and processing spaces represent increases of 7-23%. The Lease Rental Rates for fishing gear storage spaces are unchanged.

With the adoption of this Rental Rent Schedule, Port staff will be authorized to enter into leases without specific Port Commission approval of each lease provided that the lease conforms to all of the pre-approved Leasing Parameters discussed above, including the Rental Rate Schedule. Port staff would not be authorized to enter into leases at rental rates below those shown in the Rental Rate Schedule when unique characteristics of the premises or continued improvement in the rental markets make such higher rental rates appropriate. This authorization would be conditioned upon Port staff providing the Commission within thirty days following each calendar month a summary of leases entered into and subleases or assignments consented to during that month.

Commissioner Lee inquired about the reason behind the 10-year maximum leases at Pier 45. Mr. Bennett replied that there is a 5-year limit for non-maritime leases. With regard to Pier 45, Sedway & Associates performed a thorough market survey of all West Coast ports that has fish processing facilities. Since fish processing is a maritime use and the fish processors were willing to invest in the facility's improvements, they recommended a ten-year lease. Staff requested and received Commission's approval for the ten-year lease.

Commissioner Lee inquired about the process of advertising available Port leasing opportunities. Mr. Bennett replied that approximately four years ago, staff created leasing signs. When there is a vacant space along the waterfront, signs are placed on the site indicating space for rent. In addition, the Commission approved a resolution authorizing payment of brokers' fees. Interested parties tend to use brokers when searching for vacant spaces; hence, the Port created a mechanism to include brokers' participation. When leasing opportunities arise, staff sends out notices to a list of brokers. Because of these various activities, the Port receives numerous calls expressing interest.

Commissioner McCarthy thanked Mr. Bennett for his work and Clifford & Associates for the studies they have performed. The study sets up guidelines so that negotiations are fair and equitable.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-34 was adopted.

6. **FACILITIES & OPERATIONS**

7. **PLANNING & DEVELOPMENT**

8. **FINANCE & ADMINISTRATION**

9. **CONSENT CALENDAR**

10. **NEW BUSINESS / PUBLIC COMMENT**

Executive Director Wong indicated that he received a letter from Commissioner Lee. Commissioner Lee's term expired April 30, 1998 and he has decided not to seek for another term; hence his last Commission meeting will be May 26, 1998. He indicated that Commissioner Lee is a valuable asset to the Port and will be sorely missed. Commissioner McCarthy mentioned that Commissioner Lee's background in contracts will be sorely missed.

David Rose, attorney representing Fine Line Group, indicated that they were in court today regarding a temporary restraining order brought by Bundox Restaurant to prevent the Port from exercising its rights under the lease. The Port has issued a notice that Bundox is in default under the terms of the lease. The lease will be terminated on May 14 unless they cure the default. The default is the result of the mechanic's lien by Fine Line Group for the Waterfront Restaurant remodeling project. Fine Line Group entered into a $2 million contract to remodel the restaurant but was not paid the final $700,000 due them under the contract. It then recorded a mechanic's lien in the amount of $700,000 at the end of February, which is the subject of the default. $700,000 is a major portion of that contract and has caused a great deal of economic distress not only to Fine Line Group but also to small business subcontractors who have not been paid for the various items performed on the job. They believe that the evidence will show that the work was performed far above industry standards and was professionally and competently done. He indicated that Bundox Restaurant has the solution to the default in their hands if they wish to exercise it. Civil Code Section 3143 states that the lien can be removed and the default cured if they post a bond in the amount of 150% of the lien. This would provide security required covering the face amount of the lien and ensures that they are entitled to recover their cost of suit when they obtain a judgement in the case. Bundox Restaurant had two opportunities at curing the default by removing the lien but was denied by the court. They borrowed $3 million from the Mayor's Office of Community Development (MOCD). That money was supposed to go for the cost of construction for the remodeling project. The money was spent and disbursed but they were not paid. In their loan agreement with MOCD, Bundox was to have a 10% retention on all disbursements provided, among other things, there were no remaining mechanic's liens on the property. Mr. Rose emphasized that they would like to get paid for the work they have performed so their subcontractors can get paid. In the alternative, sufficient security should be posted to pay their workers for the work they performed.

Ron Losch, attorney representing Waterfront Restaurant, indicated he would not reargue the litigation. The building belongs to the Port and the Falchis made improvements to the building as required by the terms of the lease. It is important that those improvements are properly done and that the Port and the Falchis receive good value for the money they spent. The Port sets very specific and rigorous requirements for under-the-pier plumbing required for the project. The Port's plumbing inspector has not approved the work, as there were significant defects. He emphasized that it is their duty and responsibility that the plans and specs are properly carried out for the benefit of the Port. Disputes exist regarding the amount of payment and what is required under the terms of the contract. They have offered to pay the subcontractors. They also

proposed that funds be distributed to the subcontractors. Fine Line refused to provide the requested documentation of cost. They refused to certify any further pay applications. Fine Line, however, submitted several invoices totaling $700,000.

Mr. Losch mentioned that the hearing on the TRO will be held tomorrow. A preliminary hearing was held today wherein the court asked them to file additional papers. They will also request the court to interpret specific language of the lease whether default can be declared based on the technical aspects of the lien. He noted that the lien is against the lease. The lien is not against the Port's building or the improvements. The lien specifically refers to the lease. Port property is not burdened by the lien; the lease is burdened by the lien. He asked the Commission to grant the Falchis more time to resolve the issues. They already have one group of investors who requested 45 days to do due diligence and another group who believe they can come up with $700,000 in three weeks. If the lease is defaulted, MOCD will be prejudiced because their security interest is in the lease. If the Falchis are thrown out, the lease no longer exists. If the lease is defaulted, the Falchis will forfeit 29 years of their life. As a condition of their loan agreement with MOCD, the Falchis employ low-income residents of San Francisco, and they will lose their source of income if the Falchis lose their lease. He asked the Commission to consider their position. It would be in the best interest of the City, the Port and Fine Line to hold off taking action until they have a chance to resolve the issue. They have several mechanisms in place and are working toward the resolution of the dispute. He asked the Port to give them more time.

Art Groza, representing Waterfront Restaurant, requested the Commission to give them four weeks to secure the money and resolve the outstanding issues. He told the Commission that he represents a 7-member committee who will post the money. He assured the Commission that they will take care of the people that have outstanding invoices. He urged the Commission to grant them an extension of time.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lee moved approval to not disclose any information discussed in the executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 4:50 p.m., the Commission Secretary announced that the Commission will withdraw to execute session to discuss the following:

B. CLOSED SESSION

(1) Discussion of Executive Director compensation for the 1998/1999 fiscal year.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Port property located at 817 Terry Francois Blvd.
Person Negotiating:
Port of San Francisco: Jennifer Sobol, Commercial Property Manager-Leasing
Kelly's Mission Rock Restaurant, Inc.: Jim Kelly

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real property negotiations between Kelly's Mission Rock Restaurant, Inc. and the Port regarding Port property located at 817 Terry Francois Blvd.

b. Property: Port property located at Pier One
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development

An executive session has been calendared to instruct the real estate negotiator with respect to responses received for the Request for Interest and Qualifications to Master Lease and Develop Pier 1 for Maritime-Related Office Uses.

(3) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case)

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

At 7:28, Commissioners McCarthy, Brandon, Hardeman and Lee returned from executive session and convened in public session.

ACTION: Commissioner Lee moved approval to not disclose any information discussed in the executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 7:30 p.m.

M Miranda
Commission Secretary

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SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING - PLEASE NOTE THE DATE/TIME OF THE MEETING
3:30 P.M., FRIDAY, MAY 15, 1998 ← ← ← ← ←
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

AGENDA

1. ROLL CALL

2. NEW BUSINESS/PUBLIC COMMENT

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. EXECUTIVE SESSION

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative.**

         a. Property: Port property located at Pier One
         Person Negotiating:
         Port of San Francisco: Paul Osmundson, Director of Planning and Development

         An executive session has been calendared to instruct the real estate negotiator with respect to responses received for the Request for Interest and Qualifications to Master Lease and Develop Pier 1 for Maritime-Related Office Uses.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case)

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

5. ADJOURNMENT

DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART station is Embarcadero Station located at Market and Steuart Streets. The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142. There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting. Please contact Kevin Jensen at (415) 274-0555. Late requests will be honored if possible.

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NOTICE OF CANCELLATION

THE SPECIAL PORT COMMISSION MEETING SCHEDULED FOR
FRIDAY, MAY 15, 1998 AT 3:30 P.M.
IS HEREBY CANCELLED

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THE NEXT REGULAR PORT COMMISSION MEETING
IS SCHEDULED FOR

TUESDAY, MAY 26, 1998
at 4:00 P.M.

in the Port Commission Room
Suite 3100, Ferry Building
San Francisco, CA 94111
(415) 274-0406

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SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING – PLEASE NOTE THE DATE/TIME OF THE MEETING
2:30 P.M., TUESDAY, MAY 26, 1998 ← ← ← ← ← ←
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

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AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS/PUBLIC COMMENT**
Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Port property located at Pier One
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development

An executive session has been calendared to instruct the real estate negotiator with respect to responses received for the Request for Interest and Qualifications to Master Lease and Develop Pier 1 for Maritime-Related Office Uses.

b. Property: Port property located adjacent to Pier 80, in an area bounded by Pier 80, Cesar Chavez Street, Illinois Street and 25th Street
Person Negotiating:
Port of San Francisco: Douglas F. Wong, Executive Director
*Crushcon, Inc.: Phil Gatine

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real property

negotiations between Crushcon, Inc. and the Port regarding Port property located adjacent to Pier 80, in an area bounded by Pier 80, Cesar Chavez Street, Illinois Street and 25th Street.

c. Property: Port property located at Pier 54
Person Negotiating:
Port of San Francisco: Peter Dailey, Maritime Director
*Crowley Maritime: Al Zurawski

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real property negotiations between Crowley Maritime and the Port regarding Port property located at Pier 54.

d. Property: Port property located at Seawall Lot 344
Person Negotiating:
Port of San Francisco: Douglas F. Wong, Executive Director
*American Storage Unlimited: Philip Scott Ryan

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real property negotiations between American Storage Unlimited and the Port regarding Port property located at Seawall Lot 344.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case).

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

5. ADJOURNMENT

SAN FRANCISCO
PORT COMMISSION

MAY 26, 1998
MINUTES OF THE SPECIAL MEETING

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. FRANKIE G. LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
MAY 26, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 2:34 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Frankie Lee and Michael Hardeman.

2. NEW BUSINESS/PUBLIC COMMENT

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 2:35 p.m., the Commission Secretary announced that the Commission will withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Port property located at Pier One
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development

b. Property: Port property located adjacent to Pier 80, in an area bounded by Pier 80, Cesar Chavez Street, Illinois Street and 25th Street
Person Negotiating:
Port of San Francisco: Douglas F. Wong, Executive Director
*Crushcon, Inc.: Phil Gatine

c. Property: Port property located at Pier 54
Person Negotiating:
Port of San Francisco: Peter Dailey, Maritime Director
*Crowley Maritime: Al Zurawski

d. Property: Port property located at Seawall Lot 344
Person Negotiating:
Port of San Francisco: Douglas F. Wong, Executive Director
*American Storage Unlimited: Philip Scott Ryan

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case).

4. RECONVENE IN OPEN SESSION

At 4:18 p.m., Commissioners McCarthy, Brandon, Hardeman and Lee returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in the executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 4:18 p.m.

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PORT COMMISSION

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REGULAR MEETING
4:00 P.M., TUESDAY, MAY 26, 1998
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - April 28 Special & Regular Meeting
   - May 12, 1998 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Commendation for Commissioner Frankie Lee. (Resolution No. 98-46)

4. **MARITIME**

5. **REAL ESTATE AND ASSET MANAGEMENT**

   A. Authorization to enter into Exclusive Right to Negotiate for the master lease and development of Pier One for maritime-related office uses. (Resolution No. 98-49)

   B. Adoption of Negative Declaration and approval of sublease with Crushcon, Inc. for a 152,460 square feet of space for use as a demolition concrete crushing and recycling facility on a portion of the Western Pacific Site, located adjacent to Pier 80 in an area bounded by Pier 80, Cesar Chavez Street, Illinois Street and 25th Street. (Resolution No. 98-35)

   NOTICE: This activity is within the scope of the Waterfront Land Use Plan previously approved by the Port Commission; the Final Waterfront Land Use Plan Environmental Impact Report, together with the Initial Study for the Negative Declaration for this project, adequately describe the project for purposes of CEQA.

6. **FACILITIES & OPERATIONS**

   A. Approval of First Amendment, authorizing additional design services with Concept Marine Associates under the "Hyde Street Harbor Facility" professional services contract. (Resolution No. 98-47)

   B. Approval of Modification No. 1 to Construction Contract No. 2650, "Pier 24/24-½ Annex Emergency Partial Structural Repair" with Biller-McCoy, Inc. (Resolution No. 98-48)

7. PLANNING & DEVELOPMENT

A. Approval of a Memorandum of Understanding between the Port and various City Departments concerning the Waterfront Transportation Projects. (Resolution No. 98-50)

B. Approval of compensation for Port property to be used for the Mid-Embarcadero Roadway Project. (Resolution No. 98-51)

8. FINANCE & ADMINISTRATION

A. Approval of the Executive Director's Compensation for 1998/1999 Fiscal Year. (Resolution No. 98-45)

9. CONSENT CALENDAR

10. NEW BUSINESS / PUBLIC COMMENT

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11. ADJOURNMENT

DISABILITY ACCESS

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PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

May 21, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Frankie Lee
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to enter into an Exclusive Right to Negotiate for the master lease and development of Pier 1 for maritime-related office uses

DIRECTOR'S RECOMMENDATION: APPROVE EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH AMB PROPERTY CORPORATION

BACKGROUND

On January 21, 1998, the Port issued a Request for Interest and Qualifications to Master Lease and Develop Pier 1 for Maritime-Related Office Uses ("RFI&Q"). In this RFI&Q, the Port solicited submittals of interest and qualifications to master lease the entire Pier 1 and its facilities in an "as is" condition for development, subleasing and property management. As indicated in the RFI&Q, the Port proposes to convert the Pier 1 facility into Class A office space primarily for maritime-related office uses, with support parking and ancillary complimentary commercial recreation uses. The Port also expressed its interest in relocating its administration offices from the Ferry Building to Pier 1.

The following three firms submitted responses to the RFI&Q which complied with the submittal requirements stated in the RFI&Q: AMB Property Corporation, The Martin Group and Trammel Crow Company. Port staff reviewed these submittals, including reference checks of the respondents and a review of the financial capacity of each respondent. Port staff also requested that the respondents provide additional information regarding the legal entity

participating in the proposed transaction, funding of the proposed project, and anticipated tenant mix, as well as additional information regarding the experience of the development team relative to the proposed project. The submittals of the respondents and this additional information were provided to a 3-person Selection Panel comprised of non-Port personnel for review and evaluation. The Selection Panel interviewed the three respondents to review and evaluate their responses, and the Selection Panel recommended that Port staff request additional information and pursue additional discussions on the economic parameters of the proposed project from AMB Property Corporation and Trammel Crow Company.

Port staff therefore requested that both AMB Property Corporation and Trammell Crow Company provide additional information regarding the economic parameters of their proposal. Port staff met with each of the respondents to discuss this request for additional information, and the responses to this request for additional information were received by the Port on April 13, 1998. An analysis of these responses was made by CGMS Incorporated, the Port's independent financial advisor. The April 13 responses and the analysis of CGMS Incorporated were furnished to the Selection Panel for review and evaluation, and the Selection Panel indicated its preference for the response from Trammell Crow Company. However, Port staff believes that the Selection Panel overly focused on the initial ground rental proposed by Trammell Crow, and did not give sufficient weight to other factors. As provided in the RFI&Q, Port staff, based upon its review and evaluation, is to make a recommendation to the Port Commission regarding the respondent to award the opportunity for exclusive negotiations.

SUMMARY OF RESPONSES

The responses of the two Finalist Respondents – AMB Property Corporation ("AMB") and Trammell Crow Company ("Trammell Crow") – concerning the proposed development entity, funding, and development concept are summarized on the attached Exhibit A. This table also presents the economic proposals of the Finalist Respondents.

STAFF ANALYSIS OF RESPONSES

The following outlines factors considered by Port staff in its review of the responses from the two Finalist Respondents– AMB and Trammell Crow.

1. **Experience**

   a) Property Management and Leasing - Both AMB and Trammell Crow are very experienced real estate firms, and both are strong in property management and leasing.

b) Development - Trammell Crow as a company has a more extensive historic track record in commercial real estate development than AMB, although both firms have been actively involved with real estate development. Trammel was the original developer of the Embarcadero Center in San Francisco, but AMB has more recent experience in San Francisco with the development and redevelopment of office buildings.

c) Project Personnel - The personnel of both firms who would be assigned to the Pier 1 project have significant real estate development experience, although the two designated personnel of AMB appear to have more extensive direct experience and a longer track record with commercial real estate development projects.

d) Design Team - Both firms have put together an excellent team of experienced consultants, and the consultant team does not appear to be a decisive factor.

2. **Development Entity**

AMB Property Corporation (which is headquartered in San Francisco) would be the master tenant, development manager, property manager and guarantor. Trammell Crow (which is headquartered in Dallas, Texas, but has had a presence in San Francisco for many years) would be the development and property manager. The master tenant and guarantor under Trammell Crow's proposal would be Multi-Employer Property Trust, advised by Kennedy Associates Real Estate Counsel, Inc. (which is headquartered in Seattle, Washington)

3. **Funding**

Both respondents propose 100% equity funding. According to the review and analysis conducted by the Port's Finance Group, both have the financial capability to undertake this project. AMB intends to use its own funds, while Trammell Crow plans to use funding from Multi-Employer Property Trust, which pools funds from multi-employers and employee pension plans to invest in union built development projects.

4. **Development Concept**

a) AMB Design Concept - AMB proposes a straightforward redevelopment of Pier 1, with a first floor and mezzanine containing a total of approximately 128,600 sq. ft. of gross building area, including approximately 37,200 sq. ft. for AMB's corporate offices. The common area plan is also straightforward with an expanded public access promenade on the south side of the pier, connecting directly to Herb Caen

Way, with access to Port offices from Herb Caen Way and to the other offices from the promenade.

b) Trammell Crow Design Concept - Trammell Crow proposes a more complex plan with first and second floor office space. While their proposal assumes 130,000 sq. ft. of gross building area, they also state their intention to maximize the gross building area as allowable by BCDC. The public space would involve an enclosed public entry and museum accessed from Herb Caen Way. (This space is included as a load in the rentable square footage which would reduce the portion of space rented by the Port that would be exclusively usable by the Port.) The public access promenade on the south side of the pier would be accessed through this enclosed public entry and museum. Access to offices would be from the public entry and from the promenade. The north apron would be used for private decks and parking.

5. **Responsiveness to Port's Development Objectives**

a) Public access – AMB's proposal calls for the creation of pedestrian public access around the waterside of the pier, and the construction of an expanded public access area providing a direct connection between Herb Caen Way and the south apron of the pier. Trammell Crow does not propose pedestrian access around the pier, and access to the public access area on the south apron would be through the enclosed public entry and museum. Also, under the Trammell Crow proposal, the northern apron is proposed to be used for parking and as private decks. The AMB proposal thus responds more directly to the Port's stated objective regarding public access around the exterior of the pier.

b) Stable Tenancies – AMB proposes to occupy 37,200 s.f., and to sublease 35,000 s.f. to the Port. The residual office space would be leased to other maritime office tenants. Trammell Crow proposes to occupy between 7,000 – 10,000 s.f., and to lease 35,000 s.f. to the Port. The residual office space would be leased to other maritime and non-maritime tenants. By virtue of the amount of space AMB would occupy, the AMB proposal responds more directly to the Port's preference for long term stable office tenancies.

6. **Financial Structure**

In letters to the two Finalist Respondents, dated March 31, 1998, the Port's financial objective was stated as: "at minimum, to amortize the cost of construction of its office space with ground lease payments generated from the rest of the pier." Responses to six questions were requested, and these responses are presented in Exhibit A attached.

a) Ground Rental Structure – Trammell Crow proposed a specific ground rental payment, and AMB proposed a framework for establishing such an amount during the exclusive negotiation period.

Trammell Crow's proposal produces more certainty as to their economic proposal upon entering into exclusive negotiations. The Port would receive an initial annual ground rent of $315,000, with fixed 15% rental increases every 10 years, and Trammell Crow will assume all the risks during the development and lease up. This proposal is based on a development cost estimate of $20,287,000. Trammell Crow would receive the benefits of any decreased costs and increased rents (including from any expansion of the rentable area), but would also be responsible for any increased costs and lease-ups risks.

AMB proposes a structure whereby AMB will receive a 11% return on and of capital, based on a 50-year lease term. Any rental increase (including the market rental for the space occupied by AMB) would be split 50% with the Port. CGMS calculated that, using this structure, AMB's initial ground rental payments would be as follows based upon different development costs:

- At a development cost of $26 million, the Port would initially pay AMB $155,000 per year.
- At a development cost of $24,590,000, the Port would receive no ground rent.
- At a development cost of $20,287,000 (Trammell Crow's cost estimate), the Port would receive $236,500 of initial annual ground rent.

b) Port Participation in Future Rental Increases of Sub-tenants - Trammell Crow also proposed an alternate structure of $212,000 initial ground rent, plus 5% of net operating income, which would also equate to $315,000 under the income assumptions utilized in their analysis. This structure would allow for some Port participation over the term of the lease, but Trammell Crow would receive most of the benefits from such rental increases. Under either approach, the increases in ground rental over the term would be much less than from AMB.

After receiving its 11% return on investment, AMB proposes to pay the Port 50% of the increases in rent from sub-tenants, which would include rents paid by independent sub-tenants, as well as the market rent for the AMB space. This would include market rental increases that could be realized even during the exclusive negotiation period. Trammell Crow would receive most of the benefits from such rental increases.

The potential value of this participation is illustrated on Exhibit B. Assuming average annual rental increases of 3% and 6%, Trammell Crow would pay the Port over a 50-year term a total ground rent of $24,840,000 - $50,437,000, with a net present value (at an 8% discount rate) of $4,747,000 - $6,459,000. Under the same assumptions (including the same project cost of $20,287,000), AMB would pay the Port total ground rent of $90,343,000 – $320,352,000, with a net present value of $9,839,000 – $25,686,000. Even if the project costs are $26 million, AMB would pay the Port total ground rental of $74,333,000 – $304,450,000, with a net present value of $5,734,000 - $21,669,000. It should be noted that this analysis actually understates the potential differential, in that Trammell Crow proposes a 66-year lease term while the analysis only covers 50 years.

c) Impact of Construction Costs - Unlike the Trammell Crow proposal, the actual costs of the project would impact the initial ground rent to be paid to the Port by AMB.

In the Trammell Crow proposal, the Port would be protected against any increase in construction costs, which would be absorbed by Trammell Crow. Based upon its structure, however, Trammell Crow would be highly motivated to design the project to keep the costs under their budget of $20,287,000. The amount of initial ground rent from the project is not the only goal of the Port. Pier 1 will be the administrative office of the Port, and it will be the first recent significant development on Port property, other than the Grant's ballpark. Consequently, the scope and quality of the improvements, including the public access improvements, are important considerations. With their formula approach, the AMB proposal allows a trade off between ground rent and the level of improvements during the negotiation period. While AMB would also be motivated to reduce costs, the Port may also share in construction cost savings and would be in a better position to evaluate and influence the trade-offs. Following the establishment of the development cost budget during the exclusive right to negotiate period, AMB would be responsible for any construction cost overruns. AMB would also assume the lease up risk.

d) Affect of Increased Market Rent – CGMS Incorporated calculated how much the market rent for the office space would need to raise from AMB's projected $35 psf NNN in order to pay the same initial ground rent to the Port as Trammell Crow, assuming Trammell Crow's projected costs of $20,287,000. They determined that the market rent would only need to increase by $4.13 annually (or 12%) to result in the same initial ground rental being due from AMB as Trammell Crow. Under the AMB proposal, any further increase would be shared 50/50 with the Port.

e) Port Tenant Improvements – Trammell Crow proposes 35,000 sq. ft. of office space for the Port, which includes a load factor for the public entry and museum, and

proposes a specific tenant improvement allowance of $25 psf for the Port offices. This is one of the assumptions for Trammell Crow's ground rent proposal. While AMB also proposes 35,000 s. f. for the Port's offices, the actual square footage and the tenant improvement allowance would be established during the exclusive negotiation period, with the resulting tenant improvement costs and space rental being factors incorporated into the proposed formula for calculating the ground rental due the Port. The Port currently occupies approximately 42,000 s.f. in the Ferry Building, which could be more efficiently laid out. However, no space planning has yet been done regarding the space it would occupy in Pier 1 or the scope of the tenant improvements. As a part of this space planning, the Port would need to allow for possible expansion space over its anticipated long term tenancy at Pier 1. The AMB proposal thus allows more flexibility in the Port's space planning than the Trammell Crow proposal.

f) Construction Period Rent - Trammell Crow proposes to commence ground lease payments upon substantial completion of the project. AMB would make ground lease payments during the construction period equivalent to the parking revenue previously received by the Port, although these payments would be included in the total development costs used in calculating the ground rental due the Port.

7. **Lease Term**

Trammell Crow proposed a lease term of 66 years while AMB proposed a lease of only 50 years. If the lease term with AMB is increased to 66 years, then their desired return would decrease from 11% to approximately 10.52%. This reduction is based on the fact that, over a 66 year lease term, the straight line return of the developer's equity would occur at 1.52% per year, as opposed to 2% per year over a 50 year term. Based on a development cost of $20,287,000, this would result in initial ground rent that would be essentially identical to that proposed by Trammell Crow.

EXCLUSIVE NEGOTIATION

As provided in the RFI&Q, the fundamental provisions of the Exclusive Right to Negotiate agreement ("Exclusive Right") are as follows:

1. **Term**: 4-month Exclusive Negotiation Period.

2. **Negotiation**: The Developer will pay Port a lump sum, non-refundable cash payment of $100,000 in consideration of the right to negotiate exclusively with the Port for Pier 1 during the Exclusive Negotiation Period. (This deposit has already been received

from both Finalist Respondents, pursuant to the requirements of the RFI&Q.)

3. **Extension of Exclusive Negotiation Period:** The developer will have 4 one-month options to extend the Exclusive Negotiation Period, which may be exercised by written notice accompanied by a payment of $25,000 for each one-month option period. However, if the parties are unable to negotiate a lease during the extension of the original term of this Exclusive Negotiation Period due solely to the failure of the City to complete its environmental evaluation, the Port will waive its right to the option payments.

4. **Negotiation of Lease:** During the Exclusive Negotiation Period, Port staff and the Developer will diligently meet and negotiate in good faith and seek to complete a Lease, consisting of lease documents, development agreement and other related documents, to include the economic parameters, development standards and requirements, and a performance schedule (collectively "Lease"). The Lease will be subject to Port Commission approval and cannot be considered by the Port Commission until CEQA environmental review is complete. Although the parties have yet to agree upon all of the basic terms of the Lease, the Exclusive Right will incorporate an exhibit stating the principles of understanding developed through the RFI&Q process, which will be comprised of the supplemental response of the respondent regarding the economic parameters. A copy of the draft Exclusive Right is attached to the resolution as Exhibit B.

RECOMMENDATION

Based on the criteria established in the RFI&Q, the Port's project objectives and the responses of the respondents, Port staff recommends that the Port Commission award AMB Property Corporation the opportunity of exclusive negotiation on the master lease and development of Pier 1. The following factors highlight the basis for the staff's recommendation:

- AMB's proposal for public access responds better to the Waterfront Plan's public access guidelines and to the Port's public access objective, as described in the RFP, due to the proposal to provide access around the pier and an expanded deck on the south side of the pier which connects to Herb Caen Way.

- AMB's proposal better responds to the Port's objectives for long term stable occupancies as described in the RFI&Q, due to AMB's proposed occupancy of a significant portion of Pier 1.

- AMB's economic proposal provides a much greater opportunity to participate in positive financial gains of the project, both during negotiations as well as over the term of the lease.

- AMB's formula approach to setting the ground rental provides for more flexibility during the Exclusive Negotiation Period for the Port to balance the initial ground rental against other Port goals, including the size and scope of the Port's office space and tenant improvements, and the size and quality of public access improvements.

- AMB requested a shorter lease term (50 years) than did Trammell Crow (66 years). The AMB proposal enables the Port to own the improvements sooner, which is an advantage to the Port.

Prepared by: Paul Osmundson, Director, Planning & Development

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO.98-49

WHEREAS, Charter Section 3.581 grants to the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, on January 21, 1998, the Port issued a Request for Interest & Qualifications to Master Lease and Develop Pier 1 for Maritime-Related Office Uses ("RFI&Q"); and

WHEREAS, AMB Property Corporation, The Martin Group, and Trammell Crow Company submitted responses to the RFI&Q which complied with the submittal requirements stated in the RFI&Q, and a Selection Panel which reviewed these responses, recommended that Port staff request additional information from AMB Property Corporation and Trammell Crow Company, Inc. regarding the economic parameters of their proposal; and

WHEREAS, additional information regarding the economic parameters was received from AMB Property Corporation and Trammell Crow Company ("Finalist Respondents"); and

WHEREAS, the Port Commission has reviewed and evaluated the Finalist Respondents, has reviewed their responses, including requested additional information, has reviewed the reference checks, the analyses of financial capacity, and the analyses of economic parameters prepared by Port staff and by CGMS Incorporated – the Port's independent financial advisor, and has reviewed the Port staff recommendation set forth in the Memorandum to Port Commissioners dated May 21, 1998, for Agenda Item 5A, and has determined that AMB Property Corporation best meets the qualification requirements for development of Pier 1; now therefore, be it

RESOLVED, that the Port Commission hereby awards AMB Property Corporation the opportunity to enter into an Exclusive Right to Negotiate agreement with the Port to master lease and develop Pier 1 for maritime-related office uses; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port, or his designee, to execute an Exclusive Right to Negotiate agreement substantially in the form attached as Exhibit B hereto, and incorporating the economic parameters outlined in the Memorandum of Agenda Item 5A for the May 26, 1998 Port Commission meeting, a copy of which is on file with the Port Commission Secretary, with the understanding that the final terms and conditions of the Lease and related documents negotiated between AMB Property Corporation and Port staff during the Exclusive Negotiation Period will be subject to the approval of the Port Commission; and be it further

RESOLVED, that prior to considering any approval of a Lease and related documents, environmental review under the California Environmental Quality Act (CEQA) will be completed.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 26, 1998.

_____
Secretary

EXHIBIT A
PIER 1 RFI&Q
SUMMARY OF FINALIST RESPONSES

	AMB PROPERTY COPORATION	TRAMMEL CROW COMPANY
DEVELOPMENT ENTITY		
Master Tenant	AMB Property Corporation, a publicly traded real estate investment trust (Headquartered in San Francisco, CA)	Multi-Employer Property Trust advised by Kennedy Associates Real Estate Counsel, Inc. (Headquartered in Seattle, WA)
Development Manager	AMB Property Corporation	Trammell Crow Company, a publicly traded corporation (Headquartered in Dallas, Texas, with local office in San Francisco, CA)
Property Manager	AMB Property Corporation	Trammel Crow Company
Guarantor	AMB Property Corporation	Multi-Employer Property Trust
FUNDING		
Type of Funding	100 % Equity Funding	100 % Equity Funding
Source of Funding	AMB Property Corporation	Multi-Employer Property Trust
DEVELOPMENT CONCEPT	Approximately 128,600 sf of gross building area on first floor and mezzanine, including by use approximately: • 19,800 sf: Parking • 37,200 sf: AMB corporate office • 35,100 sf: Port of SF administrative offices • 32,700 sf: Other maritime-related office uses • 3,800 sf: Retail/restaurants Expanded public access promenade on south side of pier, with direct connection to Herb Caen Way. Access to Port offices from Herb Caen Way and to other office from promenade.	Approximately 130,000 sf of gross building area on first and second floors, including by use approximately: • 19,500 sf: Parking • 35,000 sf: Port of SF administrative offices • 40,000 sf: Other maritime-related office uses • 30,000 sf: General office uses (including 7,000 – 10,000 sf Trammell Crow Company office) • 5,500 sf: Retail/restaurants Enclosed public entry/museum accessed from Herb Caen Way (included as load in rentable square footage indicated above). Access to public access promenade on south side of pier is through this enclosed public entry/museum. Private decks and parking on north apron. Access to offices from public entry and from promenade. Gross building area will be increased if allowed by BCDC.

PIER 1 RFI&Q
SUMMARY OF FINALIST RESPONSES

	AMB PROPERTY COPORATION	TRAMMEL CROW COMPANY
ECOMONIC PROPOSAL (Supplemental Proposal, dated April 13, 1998)		
1. Proposed structure of ground lease payments, including base rent, adjustments, and participation	"The ground lease payment would be determined as follows: • During the Exclusive Negotiation Period, AMB and the Port would agree upon the total budgeted construction costs (hard and soft) for the project based upon our due diligence investigations which would be conducted during that period. • We would then calculate the "AMB Return" which would be a total 11% return (on and of capital based on the cost as determined above). • The "Projected Total Income" for the project would be the agreed upon market rent multiplied by the rentable square footage (including the AMB and Port spaces) plus the projected parking income. • The master lease payment would be the difference between the Projected Total Income and the AMB Return. If the amount available for the master lease rent would be shared 50/50 between the Port and AMB. If the amount available for the master lease rent is less than the market rent due for the Port's premises, the Port would pay the difference until such time as the Port's share of increases in net operating income (as described below) eliminate the object. • The master lease payment would be fixed for the term. • Although the master lease payment would be fixed for the term, AMB and the Port would also share equally in increases in income (all leases in the project would be structured with market rent increases). • AMB would be responsible for the master lease payment regardless of actual income collected (i.e. the Port would have no "market" risk). In addition, the Port would have no "construction" risk in the event the actual construction costs were higher than budget.	"In accordance with the Port of San Francisco's Request for Interest & Qualifications to Master Lease and Develop Pier 1 for Maritime Related Office Use letter dated April 8, 1998, TCC has assumed the following in providing this response: • The Port of San Francisco will occupy 35,000 rentable square feet. • The Developer will have the opportunity to develop approximately 120,000 rentable square feet with additional developable square footage as allowable by BCDC. For purposes of this response TCC estimates the development of 130,000 rentable square feet. • Approximately 20,000 square feet will be provided for on-site parking. • The Port office space will be separately metered for utilities; and responsible for its own janitorial, taxes, assessments; and will be responsible for its proportionate share of Common Area Maintenance charges. "Trammell Crow Company proposes the following options for payment under the ground lease: Option 1: Port receives free rent for the term of the ground lease and receives an allowance of $25.00 per rentable square foot in tenant improvements. In addition, Developer pays the Port $315,000 annually, with 15% rent increases every 10 years, for the term of the ground lease. Option 2: Port receives free rent for the term of the ground lease and receives an allowance of

PIER 1 RFI&Q
SUMMARY OF FINALIST RESPONSES

	AMB PROPERTY COPORATION	TRAMMEL CROW COMPANY
	• Alternatively, in the event that the costs were such that rent payments were due for the Port's premises, the Port could elect to contribute its own capital to the construction thereby eliminating the ground lease payments."	$25.00 per rentable square foot in tenant improvements. In addition, Developer pays a minimum of $212,000 annually in base rent and the Port receives 5% of the annual net operating income annually for the term of the ground lease."
2. Proposed amount of ground lease payments, and proposed commencement of ground lease payments	"Our current budget, a copy of which is attached, indicates construction costs of approximately $26.8 million. These costs are very preliminary and we believe they are high given the uncertainty surrounding the cost of upgrading the Pier. Our engineer has estimated a range of $4-10 million for seismic strengthening of the pier and the structure. We believe the actual construction costs will be in the range of $20-25 million. The attached sensitivity analysis indicted that a total cost of approximately $24.5 million, the resulting ground lease payments of $1,225,000 offset the cost of the Port's rent. As the costs decrease, the Port receives 50% of the "upside". If we are able to decrease the costs to $20 million, the Port will receive not only "free rent" but also an income of $252,000 per year, increasing significantly as the rents increase over time. Pier 1 would continue to be used for parking until the commencement of construction with all income inuring to the Port. During the construction period, AMB would make master lease payments equivalent to the parking income previously received by the Port (this expense would be included as a part of the total Project Costs)."	"(See question No. 1.) Ground lease payments will commence upon substantial completion of the project estimated to be the first quarter 2000."
3. Factors affecting the amount of ground rent payments, and burden of predevelopment, construction, and lease-up risks	"The factor which will set the ground lease payment is the determination of the construction costs which will be the result of our due diligence investigations during the Exclusive Negotiation Period. Once the amount has been set, it is AMB's responsibility to make the ground lease payments; AMB will bear the burden of predevelopment, construction and lease-up risk."	"Other than the variable rent consideration outlined in Option 2, in the response to Questions No. 1, there are not factors that affect lease payments. Developer will bear the burden of the predevelopment, construction and lease-up risks for all on-site matters."

EXHIBIT A

PIER 1 RFI&Q
SUMMARY OF FINALIST RESPONSES

	AMB PROPERTY COPORATION	TRAMMEL CROW COMPANY
4. Proposed financial responsibilities as developer during construction and as master lessee for maintenance and operation	"As developer, AMB will be responsible for securing the entitlements and managing the design (with the Port's input), construction, and lease-up of the Pier. As master lessee, AMB will have on-going management responsibilities for the project which includes the repair and maintenance of the pier, the building and the parking facilities. AMB will pass all expenses associated with the operations, repairs and maintenance along to the tenants (including itself and the Port) on a pro-rata basis. Possessory interest taxes would also be assessed pro-rata although we understand the Port is tax exempt." "It is AMB's expectation that the Port and AMB will work together to complete a project which is financially feasible and architecturally attractive. Given the Port's extensive experience with the piers and the waterfront, its input will be extremely valuable as we proceed through the due diligence and design processes. Further, the Port's cooperation will be important in gaining the entitlements."	"MEPT will enter into a Triple Net (NNN) ground lease with the Port and assume all development and future maintenance obligations. Developer will also have sole responsibility for all financial matters related to the re-development of Pier 1. "Port will pay its own utilities, taxes, janitorial, and a proportionate share of common area maintenance expenses."
5. Anticipated return on equity	"Our return requirements are outlined in questions 1. AMB requires a return of 11% (which is approximately a 2% return of capital over an assumed 50 year lease term and a return on capital of 9%). Again, AMB intends to internally finance this transaction so it is not constrained by the needs of outside financial partners."	"Favorable economic conditions and a stabilized real estate market in San Francisco allow TCC to aggressively project rents; control development costs; and provide the Port with the greatest financial benefits and flexibility while enabling MEPT to achieve its initial anticipated stabilized yield of 10% to 10.5%. "The combination of 35,000 feet of free rent for the Port offices, $25.00 per square foot for the Port's tenant improvements, and an annual ground lease payment of $315,000, yield the Port economic benefits exceeding $1,300,000 per year based on current fair market rents."
6. Intention regarding historic tax credits	"Although our interest and proposal to redevelop Pier 1 is not contingent on our receipt of the historic tax credits, we intend, if financially feasible, to apply for the credits. To the	"TCC and MEPT are currently evaluating the economic benefits of applying for rehabilitation tax credits on the Pier 1 project. To the extent tax credits are realized,

PIER 1 RFI&Q
SUMMARY OF FINALIST RESPONSES

	AMB PROPERTY COPORATION	TRAMMEL CROW COMPANY
	extent we receive the credits, we will share the value 50/50 with the Port."	the developer will share 50% of the net benefit with the Port in the form of a lump sum payment."
7. Lease Term Proposal (from supplemental proposal, dated March 16, 1998)	50 years	66 years

EXHIBIT B

EXCLUSIVE RIGHT TO NEGOTIATE

THIS EXCLUSIVE RIGHT TO NEGOTIATE ("Exclusive Right") is entered into as of this ____ day of _____, 1998, by and between the **City and County of San Francisco** ("City"), **acting by and through its Port Commission** ("Port"), and _____, a _____ ("Developer") upon the following facts, intentions and understandings of the parties:

A. By a Request for Interest and Qualifications ("RFI&Q"), dated January 21, 1998, the Port solicited submittals of interest and qualifications from qualified parties to develop and master lease Pier 1 (the "Site"), located on the Embarcadero, in the City and County of San Francisco, as a maritime-related Class A office complex. Submittals were received by February 18, 1998, and the Port Commission awarded the opportunity to enter into exclusive negotiations with the Port at its meeting of _____, 1998, by Resolution No. _____.

B. The parties now desire to enter into this Exclusive Right to Negotiate to set forth the terms and conditions upon which Port and Developer will enter into lease negotiations and seek to complete a written lease disposition and development agreement, lease document, and such other documents as are necessary to effect the lease of the Site (collectively, "Lease") for Port Commission approval.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Term**. The term of this Exclusive Right will be for four months, and will commence on _____, 1998 and will expire on _____, 1998, unless extended in accordance with Section 3 below. The term of this Exclusive Right, including any extensions, is hereinafter referred to as the "Exclusive Negotiation Period". During the Exclusive Negotiation Period, the Port will not solicit or consider any other proposals or negotiate with any other developer with respect to the development of the Site (except with respect to Port's ongoing talks with the Pier One Deli for continuation of their use at Pier One).

2. **Negotiating Fee**. Developer shall pay to Port a lump sum by cash payment in the amount of One Hundred Thousand and No/100 Dollars ($100,000.00), receipt of which Port hereby acknowledges. The $100,000.00 payment is in consideration for the right to negotiate exclusively with the Port for the Site during the Exclusive Negotiation Period, and is non-refundable whether or not the parties enter into a final Development Agreement and Lease.

3. **Extension of Negotiating Period**.

a. Option Period. Developer shall have four (4) one-month options (each an "Option Period") to extend the Exclusive Negotiation Period, commencing on _____, 1998. Developer shall exercise each option to extend by written notice of the exercise of such option delivered with a cash, check or money order payment of Twenty Five Thousand Dollars ($25,000.00) per Option Period (each an "Option Payment") to Port at the address for notice set forth in Paragraph 10 below, prior to the commencement of the next Option Period. If the parties have been unable to execute a Lease prior to the expiration of the original term of this Exclusive Right (or the preceding Option Period, if applicable) due solely to the failure of the

San Francisco Department of City Planning Office of Environmental Review ("OER") to complete its environmental evaluation in time for execution of a Lease, Port shall waive its rights to the applicable Option Payment. This waiver shall not apply if Developer creates a delay, including, without limitation, its failure to comply with requests for information or other OER requirements.

b. Option Payment Non-Refundable. Each Option Payment shall be non-refundable; provided, however, that the Port shall credit any Option Payment against rent due by Developer if the Developer delivers an Option Payment for a subsequent Option Period and the Port Commission approves a Lease for the Site with Developer before the commencement of that subsequent Option Period. Developer's failure to exercise any Option Period in accordance with this paragraph 3 shall extinguish all future Option Periods and shall terminate this Exclusive Right as of the last date of the Exclusive Negotiation Period or the applicable Option Period.

4. **Negotiation of Lease**.

a. Negotiation of Lease. During the Exclusive Negotiation Period, Port and Developer shall diligently meet, negotiate in good faith, and seek to complete a Lease for the Site in a form approved by the San Francisco City Attorney, incorporating specific terms including without limitation the Port's and Developer's responsibilities, the economic parameters, development standards and requirements, and a performance schedule. The Lease will be subject to Port Commission approval. Although the parties have yet to discuss and agree upon the basic terms for the Lease, the parties are entering into this Exclusive Right to Negotiate based upon certain underlying principles and understandings developed through the RFI&Q process, as set forth in Exhibit 1 attached hereto. The parties shall negotiate the Lease in substantial conformity with the basic principles and terms set forth in Exhibit 1; provided, however, such terms are subject to change by mutual agreement of the parties. The parties acknowledge that the terms of Exhibit 1 merely purport to set forth general principles upon which the parties have agreed; any binding Lease shall be subject to review and approval by the parties, their respective legal counsel, and the San Francisco Port Commission.

b. Final Action Subject to Environmental Review. The Port will not enter into any final Lease for the project which will allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA). The Port intends, through exclusive negotiations, to identify the actions and activities that would be necessary to develop the Site and thereby facilitate meaningful environmental review. If the project is found to cause significant adverse impacts that have not been mitigated, the Port retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the proposed project, (3) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (4) approve the proposed project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts of the project.

5. **Regulatory Approvals, Submittals, and Disclosures.**

a. Regulatory Approvals. The parties acknowledge that certain regulatory approvals are required for the development of the Project, including, but not limited to, all necessary approvals from the Bay Conservation and Development Commission ("BCDC"), environmental review by the City Planning Department's Office of Environmental Review ("OER"), pursuant to CEQA, and potential historic preservation review (collectively, Regulatory Approvals"). As described in paragraph 4 above, environmental review by OER shall be completed prior to the approval of any Lease by the Port or the Board. The effectiveness of any such

Lease shall be conditioned upon Developer obtaining all other Regulatory Approvals subsequent to the Port Commission's approval of any such Lease.

b. Developer's Obligations. Except as provided in subsection 5.c below, Developer agrees:

(1) It shall diligently and in good faith pursue all Regulatory Approvals;

(2) It shall be solely responsible for applying for and obtaining all Regulatory Approvals, and Developer shall not seek any Regulatory Approval without first obtaining the approval of Port;

(3) It shall bear all costs associated with or complying with any necessary Regulatory Approval;

(4) It will pay and discharge any fines or penalties imposed as a result of the failure of Developer to comply with the terms and conditions of any Regulatory Approval, and Port shall have no liability, monetary or otherwise, for said fines and penalties.

(5) To the fullest extent permitted by law, Developer agrees to indemnify and hold City, Port and their officers, agents and employees harmless from and against any loss, expense, cost, damage, attorneys' fees, penalties, claims or liabilities which City or Port may incur as a result of Developer's failure to obtain or comply with the terms and conditions of any Regulatory Approval.

(6) It will undertake and complete its "due diligence" review of the Site, prepare financial projections, and complete preliminary development plans for the Site, including, but not limited to floor plans, elevations, and renderings.

(7) It will pursue and obtain letters of intent, or other assurances, reasonably evidencing Developer's ability to attract maritime-related subtenants necessary to meet the Port's requirements set forth in the RFI&Q.

(8) It will submit to Port, OER, BCDC and any other regulatory agency having approval over the project, all specifications, descriptive information, studies, reports, disclosures and any other information required to satisfy the application filing requirements of those agencies.

c. Port's Obligations. Port agrees that it will cooperate with Developer in filing for, processing and obtaining all Regulatory Approvals, and to the extent required by any regulatory agency issuing a Regulatory Approval, it will join with Developer as co-applicant in filing, processing and obtaining all Regulatory Approvals necessary for the development of the Site. Nothing contained herein shall be deemed to limit or otherwise constrain Port's discretion, powers and duties as a regulatory agency of the City with certain police powers.

6. **Non-Assignment.** The parties acknowledge that Port is entering into this Exclusive Right on the basis of the special skills, capabilities and experience of Developer. This Exclusive Right is personal to Developer and is non-assignable without the prior written consent of Port, which may be withheld in Port's sole discretion. Any attempted assignment of this Exclusive Right, or the dissolution, merger, consolidation or other reorganization of Developer or any cumulative or aggregate sale, transfer, assignment or hypothecation of more than 50% of the total capital stock of Developer shall, at the Port's option, be considered an event of

default under this Exclusive Right and, upon Port's notice to Developer, shall immediately and without opportunity to cure give rise to Port's remedies provided in Section 7 hereof.

7. Default.

a. Event of Default. The occurrence of any of the following shall constitute a default by Developer after notice of the default and the expiration of the applicable cure period, if any:

(1) Failure to pay any sums due hereunder when due.

(2) Failure to perform or abide by any other provision of this Exclusive Right if such failure is not cured within twenty (20) days after notice has been given to Developer. If the default cannot reasonably be cured within 20 days, Developer shall not be in default of this Exclusive Right if Developer commences to cure the default within the 20-day period and diligently and in good faith continues to cure the default.

(3) Either (i) the filing by Developer of a petition to have Developer adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization or arrangement under any bankruptcy or insolvency law, or a general assignment by Developer for the benefit of creditors; or (ii) the filing by or against Developer of any action seeking reorganization, arrangement, liquidation, or other relief under any law relating to bankruptcy, insolvency, or reorganization or seeking appointment of a trustee, receiver, or liquidator of Developer or of any substantial part of Developer's assets.

b. Port's Remedies. In the event of default, Port, at its option, may terminate this Exclusive Right upon written notice to Developer, sent in accordance with Section 9 below. This remedy is not exclusive, but shall be cumulative with any remedies now or later allowed by law.

8. Attorneys Fees. In the event of any action or proceedings at law or in equity between the Port and Developer to enforce any provision of this offer to protect or establish any right or remedy of either party to this agreement, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses as determined by the court, including reasonable attorney's fees, incurred therein by such prevailing party; and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment. For purposes of this Exclusive Right, reasonable fees of attorneys of the Office of City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience (calculated by reference to earliest year of admission to the Bar of any State) who practice in the City in law firms with approximately the same number of attorneys as employed by the Office of City Attorney.

9. Notices. Any notice given under this Exclusive Right shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

Port: Director, Planning & Development
Port of San Francisco
Room 3100, Ferry Building
San Francisco, CA 94111
Telefacsimile: (415) 274-0578
Telephone: (415) 274-0549

Developer : _____
_____
_____

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Exclusive Right shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A person may not give official or binding notice by telefacsimile. The effective time of a notice shall not be affected by the receipt, original, of a telefacsimile copy of the notice.

10. City Requirements

a. MacBride Principles-Northern Ireland. City urges companies doing business in Northern Ireland to move towards resolving employment inequities and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

b. Tropical Hardwood/Virgin Redwood Ban. City urges Developer not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood wood product, or any virgin redwood or virgin redwood wood product.

c. Burma (Myanmar) Business Prohibition. Developer is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a prohibited person or entity as defined in Section 12J.2(G) of the San Francisco Administrative Code. The Port reserves the right to terminate this Exclusive Right for default if the Developer violates the terms of this section.

11. Miscellaneous Provisions.

a. California Law. This Exclusive Right shall be construed and interpreted in accordance with the Laws of the State of California and City's Charter.

b. Entire Agreement. This Exclusive Right contains all of the representations and the entire agreement between the parties with respect to the subject matter of this agreement. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to such subject matter are superseded in total by this Exclusive Right. No prior drafts of this Exclusive Right or changes from those drafts to the executed version of this Exclusive Right shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Exclusive Right.

c. Amendments. No amendment of this Exclusive Right or any part thereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. Severability. Except as is otherwise specifically provided for in this Exclusive Right , invalidation of any provision of this Exclusive Right, or of its application to any person, by judgment or court order, shall not affect any other provision of this Exclusive Right or its application to any other person or circumstance, and the remaining portions of this Exclusive Right shall continue in full force and effect, unless enforcement of this Exclusive Right as invalidated would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the purposes of this Exclusive Right.

e. No Party Drafter; Captions. The provisions of this Exclusive Right shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any section, paragraph or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Exclusive Right.

f. Singular, Plural, Gender. Whenever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, and vice versa.

g. Authority. If Developer signs as a corporation or a partnership, each of the persons executing this Exclusive Right on behalf of Developer does hereby covenant and warrant that Developer is a duly authorized and existing entity, that Developer has and is qualified to do business in California, that Developer has full right and authority to enter into this Exclusive Right, and that each and all of the persons signing on behalf of Developer are authorized to do so. Upon Port's request, Developer shall provide Port with evidence reasonably satisfactory to Port confirming the foregoing representations and warranties.

h. Waiver. No failure by Port to insist upon the strict performance of any obligation of Developer under this Exclusive Right or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of full or partial Rent during the continuance of any such breach shall constitute a waiver of such breach or of Port's rights to demand strict compliance with such term, covenant or condition. Port's consent to or approval of any act by Developer requiring Port's consent or approval shall not be deemed to waive or render unnecessary Port's consent to or approval of any subsequent act by Developer. Any waiver by Port of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Exclusive Right.

i. Time is of the Essence. Time is of the essence of each provision of this Exclusive Right.

WHEREFORE, this Exclusive Right to Negotiate was executed by the parties hereto on the date set forth below.

"Port"

CITY AND COUNTY OF SAN FRANCISCO,
Acting by and through its Port Commission

_____
By: Paul Osmundson
Director, Planning & Development

Dated:_____

"Developer"

_____
By

Dated:_____

Approved as to Form:
LOUISE H. RENNE
City Attorney

By:_____
Deputy City Attorney

\\PACIFICA\USERS\TENANT\Pier 1 RFI&Q\Pier 1 Exclusive Right.doc\KB\jef\5/20/98

EXHIBIT C
COMPARISON OVER 50-YEAR TERM
OF GROUND RENTAL PAYMENTS TO PORT

	Total Ground Rent	Net Present Value @8%
TRAMMEL CROW COMPANY		
Rental Increases @ 3% per yr. (Operating Expense Increases @ 2% per yr.)	$ 24,801,000	$ 4,747,000
Rental Increases @ 6% per yr. (Operating Expense Increases @ 3% per yr.)	$ 50,437,000	$ 6,459,000
AMB PROPERTY CORPORATION		
Total Project Cost: $26,000,000		
• Rental Increase @ 3% per yr.	$ 74,333,000	$ 5,734,000
• Rental Increase @ 6% per yr.	$304,450,000	$21,669,000
Total Project Cost: $24,590,000		
• Rental Increase @ 3% per yr.	$ 78,435,000	$ 6,876,000
• Rental Increase @ 6% per yr.	$308,462,000	$22,739,000
Total Project Cost: $20,287,000		
• Rental Increase @ 3% per yr.	$ 90,343,000	$ 9,839,000
• Rental Increase @ 6% per yr.	$320,352,000	$25,686,000

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

May 20, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Adoption of Negative Declaration and approval of sublease for a 152,460 square feet for use as a demolition concrete crushing and recycling facility on a portion of the Western Pacific Site, located adjacent to Pier 80 in an area bounded by Pier 80, Cesar Chavez Boulevard, Illinois Street and Twenty-fifth Street (Resolution 98-35)

DIRECTOR'S RECOMMENDATION: ADOPT NEGATIVE DECLARATION AND APPROVE SUBLEASE

BACKGROUND

The Port and Catellus Corporation are parties to the Port Land Transfer Agreement (PLTA), dated as of September 8, 1993. Under the PLTA, the Port agreed to transfer certain Port lands to Catellus in exchange for, among other things, the Western Pacific site located adjacent to Pier 80. Although Catellus terminated the Mission Bay Development Agreement in early 1996, the PLTA remains in effect. Catellus has expressed an interest in proceeding with the transfer under the PLTA.

In the interim, prior to the Port's receiving fee simple title to the Western Pacific site, the Port has leased the property from Catellus pursuant to lease dated March 12, 1996 (Port Commission Resolutions 91-110 and 93-125, and Board of Supervisors Ordinance 52-92). The term of this lease is seven years, at a total rental of $7.00, payable in annual

installments of $1.00 per year. Additionally, the Port pays all property taxes, assessments, and utilities related to the property.

Crushcon, Inc. has proposed to sublease 152,460 square feet (3.5 acres) of the Western Pacific site bounded by the "paper streets", Louisiana Street, Twenty Fifth Street, Maryland Street and property not owned by the Port fronting Cesar Chavez Boulevard. Crushcon, Inc. proposes to use the site for the operation of a demolition concrete crushing, storage and distribution facility.

Crushcon has applied for and has received all environmental clearances from the City and County of San Francisco Planning Department, Office of Environmental Review (OER). The Office of Environmental Review issued a Negative Declaration for the project on February 23, 1998, finding that the project would not have a significant effect on the environment.

Port staff has negotiated the terms and conditions of a proposed sub-lease as outlined, below.

Port Commission policy requires that the Port Commission approve any lease providing for a use which is a change of "like-kind" use to the existing or immediately prior use of the facility. Because the site affected by the proposed lease has not been used for any purpose for sometime, any use would constitute a change of "like kind" use to the existing or immediately prior use of the Western Pacific Site.

The Port Commission is also required to adopt certain findings under the California Environmental Quality Act ("CEQA") with regard to the Negative Declaration.

Proposed Lease Terms:

The fundamental business terms are set forth below:

1. **Premises**: 152,460 square feet (3.5 acres) of vacant land located on the Western Pacific Site and bounded by the "paper" streets Louisiana Street to the west, Twenty-fifth Street to the north, Maryland Street to the east and property not owned by the Port fronting Cesar Chavez Boulevard to the south. A Site Plan of the Premises is attached to this Agenda Summary as Exhibit A.

2. **Term**: One (1) year commencing June 1, 1998 and terminating on May 31, 1999. The term may be extended by one (1) year subject to the formal approval of the Port Commission, not to be unreasonably withheld. Reasonable grounds for withholding consent include significant adverse environmental impacts caused by Tenant's operation during the first (1st) year, or Tenant's failure to comply with the material lease terms and conditions, and provided that the tenant is in full compliance of the environmental and MBE\WBE provisions of the Lease.

3. **Use**: Receiving, crushing, storage and distribution of demolition concrete and other building materials, vehicle parking and storage, building materials laydown and general administrative functions directly related to the other permitted uses.

4. **Base Rent**: $25,156.00 per calendar month (16.5 cents per square foot per month), $301,872.00 per year.

5. **Rent Credits**: None

6. **Removal Bond**: Crushcon shall deliver to the Port a performance bond (the "Removal Bond") in the initial amount of Five Hundred Thousand Dollars ($500,000.00) to secure Crushcon's obligation to remove all materials stored on the Premises and any improvements installed on the Premises. From time to time the Port may require that the amount of the Removal Bond be increased to reflect the Port's reasonable estimate of the cost to remove the quantity and type of materials stored on the Premises.

7. **Negative Declaration**: On February 23, 1998, the Planning Department of the City and County of San Francisco, office of Environmental Review issued a Notice of Determination of Negative Declaration for the operation of a temporary concrete recycling operation on the proposed premises. A copy of the Notice of Determination is attached to this Agenda Summary as Exhibit B.

8. **MBE/WBE/LBE Goals**: The Lease will require Tenant to meet certain goals regarding the hiring of minority, woman and locally owned businesses.

9. **Hazardous Materials**: Tenant is not permitted to handle contaminated soils. Tenant is not permitted to handle other hazardous materials on the Premises without the prior written consent of Port which will not be unreasonably withheld so long as it is necessary to Tenant's business and strictly complies with all environmental laws. The Lease contains additional protective language approved by the Port's environmental staff, regarding storm water pollution prevention and notice requirements. In addition, Tenant must comply with certain mitigation measures for air and water quality, as suggested in the Waterfront Plan EIR, including preparing and administering a dust abatement program.

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-35

WHEREAS, Charter Section B3.581 empowers the Port commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, the Port and Catellus Development Corporation ("Catellus") are parties to the Port Land Transfer Agreement (PLTA) dated as of September 8, 1993. Under the PTLA, the Port agreed to transfer certain Port lands to Catellus in exchange for, among other things, the Western Pacific site located adjacent to Pier 80. The PTLA remains in effect. Catellus has expressed an interest in proceeding with the transfer under the PLTA; and

WHEREAS, in the interim, prior to the Port receiving fee simple title to the Western Pacific site, the Port has leased the Western Pacific site from Catellus pursuant to a lease dated March 12, 1996 (Port Commission Resolution 91-110 and 93-125) and Board of Supervisors Ordinance 52-92; and

WHEREAS, Port Commission approval is being sought for Lease No. L-12506 between the Port and Crushcon, Inc., a California corporation, the terms of which are set forth in the Memorandum of Agenda Item 5B for the Port Commission meeting of May 26, 1998; and

WHEREAS, on January 31, 1998 the Planning Department of the City and County of San Francisco, Office of Environmental Review issued for public review a Preliminary Negative Declaration (Case No. 97.711E) for the use of the premises affected by proposed Lease No. L-12506 as an outdoor recycling and crushing facility for construction/concrete demolition debris; and

WHEREAS, on February 23, 1998 the Planning Department issued the City and County of San Francisco Office of Environmental Review a Notice of Determination of Final Negative Declaration (Case No. 97.711E) for the proposed use of the Premises affected by proposed Lease No. L-12506 as an outdoor recycling and crushing facility for concrete construction/demolition debris; now therefore, be it

RESOLVED, this Port Commission has considered and reviewed the Final Negative Declaration and adopts said Final Negative Declaration and hereby finds and determines that the use of the premises affected by proposed Lease No. L-12506 as an outdoor recycling and crushing facility for concrete construction/demolition concrete will have no significant impact on the environment and adopts and incorporates the findings of the Final Negative Declaration, Case No. 97-711E issued by the Planning Department of the City and County of San Francisco, Office of Environmental Review, a copy of which is on file with the Secretary of the Port Commission and be it further

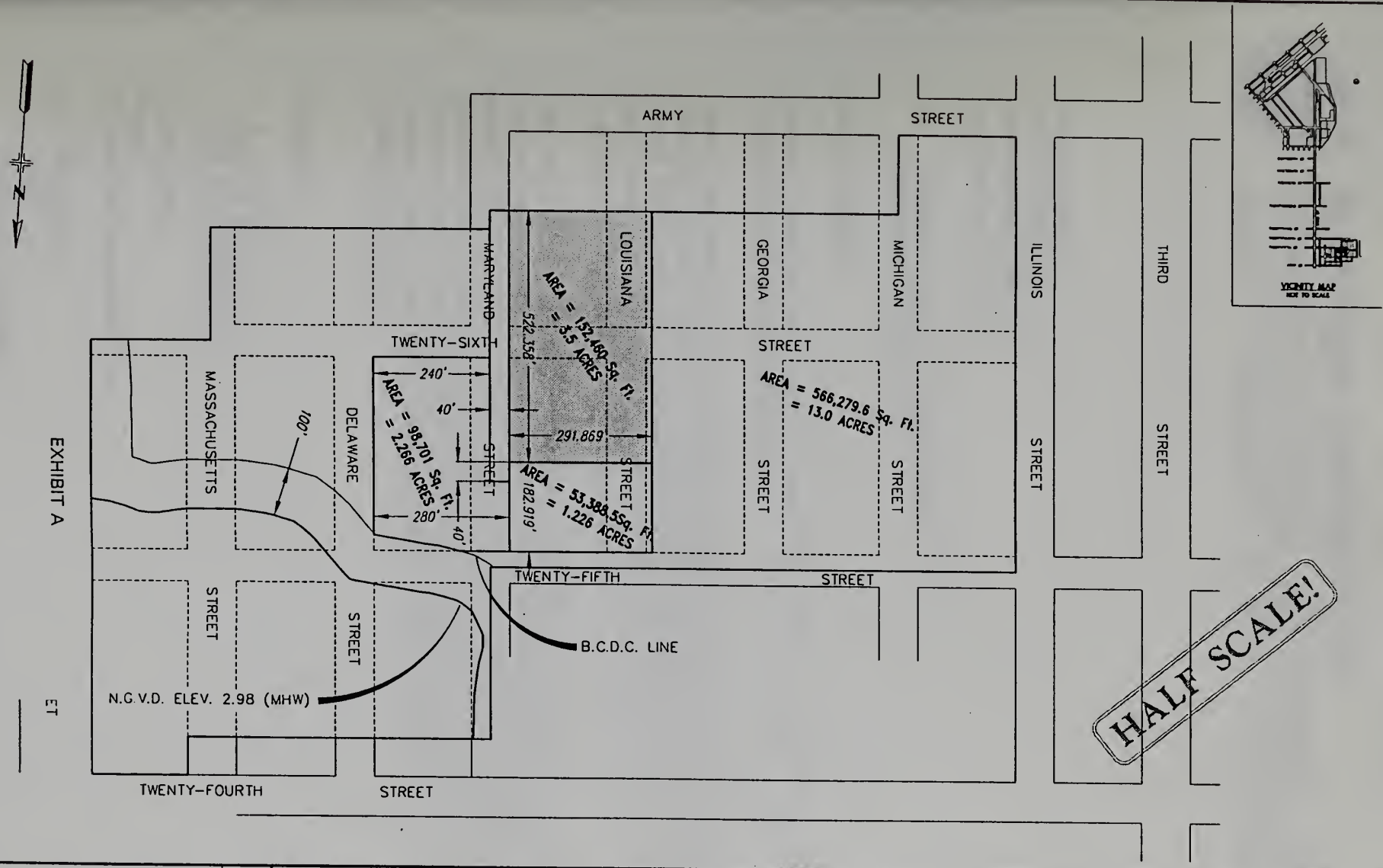
RESOLVED, that the Port Commission hereby further finds and determines in that since certification of the final negative declaration, (a) there have been no subsequent changes proposed in the project which require revisions in the negative declaration or preparation of an environmental impact report due to the involvement of new environmental impacts not considered in the final negative declaration, (b) no substantial changes have occurred with respect to the circumstances under which the project is undertaken which require revisions to the final negative declaration, and (c) no new information of substantial importance to the project has become available that shows any of the matters referred to in Section 15162(a)(3) of the State Guidelines of Implementation of the California Environmental Quality Act, and be it further

RESOLVED, that the Port Commission hereby approves Lease No. L-12506 between the Port and Crushcon, Inc. incorporating the business terms set forth in the Memorandum for Agenda Item 5B for the Port Commission meeting on May 26, 1998, and authorizes the Executive Director or his designee to execute the Lease, and to take such further action as may be required to implement the Lease.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 26, 1998.

_____
Secretary

G:\WP51\AGENDAS\crushcon.mem.doc\5/20/98\ND\jef



NO	DATE	DESCRIPTION	BY
		TABLE OF CHANGES	

CAUTION CHECK WITH TRACING TO SEE IF YOU HAVE THE LATEST REVISION

REFERENCE INFORMATION & FILE NO. OF SURVEYS

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

FORMER WESTERN PACIFIC LANDS BASE MAP

DESIGNED BY: AMW	CHECKED BY:
DRAWN BY: AMW	DATE: 22 MAY 98
CONTRACT NO.	SCALE: 1" = 100'
DRAWING NO. XXXXX-XX-XX	SHEET NO. 1 OF 1 SHEETS

PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street San Francisco, CA 94103-2414

(415) 558-6378 PLANNING COMMISSION FAX: 558-6409 ADMINISTRATION FAX: 558-6426 CURRENT PLANNING/ZONING FAX: 558-6409 LONG RANGE PLANNING FAX: 558-6426

February 24,1998

Nicolas Dempsey
Port of San Francisco
Ferry Building, Room 3100
San Francisco, CA 94111

Re: Temporary Concrete Recycling Operation
Department Case No. 97.711E

Dear Mr. Dempsey:

Enclosed please find a copy of the final Negative Declaration for the project referenced above, along with a draft Notice of Determination (NOD) form.

The NOD represents a final step in the environmental review process. Filing an NOD with the County Clerk effectively limits the amount of time during which the project approval can be legally challenged under CEQA. (Instead of six months from the decision date the NOD limits the time to 30 days from the decision date). While there is no penalty for not filing an NOD, it is a CEQA requirement, and project sponsors and their attorneys usually see it as in their best interests.

The Office of Environmental Review (OER) lacks the staff resources to track every project through to approval, and must rely on project sponsors to notify OER staff of permit issuance. For this reason, and to ensure the NOD is filed in a timely manner, I would appreciate it if you would notify me when your first building permit is issued, and provide a $25 filing fee in the form of a check made out to the County Clerk. Following the 15-day period during which the building permit may be appealed to the Board of Permit Appeals, I will see that the NOD forms are signed and filed. Please call me if you have any questions regarding this procedure.

Sincerely,

Joy Navarrete
Planner
Office of Environmental Review

cc: Phil Gatine
AECI
262 World Trade Center
San Francisco, CA 94111

Exhibit B

PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street San Francisco, CA 94103-2414

(415) 558-6378 PLANNING COMMISSION FAX: 558-6409 ADMINISTRATION FAX: 558-6426 CURRENT PLANNING/ZONING FAX: 558-6409 LONG RANGE PLANNING FAX: 558-6426

Office of Environmental Review
$25.00 Private Development Fee IS OWED_X_

NOTICE OF DETERMINATION

TO: County Clerk, City and County of San Francisco
25 Van Ness Avenue, Room 110
San Francisco CA 94102

Pursuant to the California Environmental Quality Act (CEQA), the Guidelines of the Secretary for Resources and San Francisco requirements, this Notice of Determination is transmitted to you for filing. At the end of the posting period, please return this Notice to the Contact Person with a notation of the period it was posted.

File Number and Project Title: 97.711E, Temporary Concrete Recycling Operation
Address: Maryland Street/Cesar Chavez Street

Project Description: On Assessor's Block/Lots 4300/1 and the eastern portion of 4310/4, together bounded by 25th, Maryland, Cesar Chavez, and Louisiana Streets, the proposal is to establish an outdoor recycling and crushing facility for construction/concrete demolition debris on an approximately 3.5 acre parcel on Port land. The machinery would be temporary (used for approximately two years) and portable. Both project sites are located in an M-2 (Heavy Industrial) zoning district of the Potrero Hill neighborhood, with a 40-X height and bulk limit.

Lead Agency: City and County of San Francisco, Department of City Planning,
1660 Mission Street, San Francisco CA 94103-2414

Contact Person: Joy Navarrete **Telephone:** (415) 558-6382

Project Applicant: Port of San Francisco, Nicolas Dempsey

The City and County of San Francisco decided to carry out or approve the project on _____ (date). A copy of the documents may be examined at the above address.

1. A Negative Declaration has been prepared pursuant to the provisions of CEQA. It is available to the public and may be examined at the Office of Environmental Review at the above address.
2. A determination has been made that the project in its approved form will not have a significant effect on the environment.
3. Mitigation Measures were not made a condition of approval.
4. The Department of Fish and Game exemption is attached.

Sincerely,
Gerald G. Green
Director of Planning

by Hillary E. Gitelman,
Environmental Review Officer

Sincerely,

Paul Osmundson
Director of Planning and Development
Port of San Francisco

cc: Sue C. Hestor cc: Project Sponsor

California Department of Fish and Game

CERTIFICATE OF FEE EXEMPTION

De Minimis Impact Finding

Project Title, Location, Name and Address of Project Proponent (include county):

97.711E, Maryland Street/Cesar Chavez Street, Temporary Concrete Recycling Operation, Port of San Francisco, Ferry Building, Suite 3100, San Francisco, CA 94111

Project Description:

On Assessor's Block/Lots 4300/1 and the eastern portion of 4310/4, together bounded by 25th, Maryland, Cesar Chavez, and Louisiana Streets, the proposal is to establish an outdoor recycling and crushing facility for construction/concrete demolition debris on an approximately 3.5 acre parcel on Port land. The machinery would be temporary (used for approximately two years) and portable. Both project sites are located in an M-2 (Heavy Industrial) zoning district of the Potrero Hill neighborhood, with a 40-X height and bulk limit.

Findings of Exemption (attach required findings):

A Negative Declaration has been prepared and appropriate mitigation measures, regarding issues other than endangered plants and animals, were made part of the Final Negative Declaration. No endangered or rare plants or animals have been identified at the site. The project would be constructed in an already developed, urbanized area where no natural habitat has been identified in the California Natural Diversity Data Base and maps published by the California Department of Fish and Game.

Certification:

I hereby certify that the lead agency has made the above finding(s) of fact and that based upon the initial study and hearing record the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Hillary E. Gitelman

Title: Environmental Review Officer
Lead Agency: City and County of San Francisco Planning Department
Date: 2/23/98

NEGATIVE DECLARATION

Date of Publication of
Preliminary Negative Declaration: January 31, 1998

Lead Agency: Planning Department, City and County of San Francisco
1660 Mission Street, San Francisco, CA 94103

Agency Contact Person: Joy Navarrete Telephone: (415) 558-6382

Project Title: 97.711E, Temporary Concrete Recycling Operation
Project Contact Person: Phil Gatine

Project Sponsor: Port of San Francisco and Crushcon, Inc.

Project Address:	Maryland Street/Cesar Chavez Street
Assessor's Block(s) and Lot(s):	4300/1 & 4310/4
City and County:	San Francisco

Project Description: On Assessor's Block/Lots 4300/1 and the eastern portion of 4310/4, together bounded by 25th, Maryland, Cesar Chavez, and Louisiana Streets, the proposal is to establish an outdoor recycling and crushing facility for construction/concrete demolition debris on an approximately 3.5 acre parcel on Port land. The machinery would be temporary (used for approximately two years) and portable. Both project sites are located in an M-2 (Heavy Industrial) zoning district of the Potrero Hill neighborhood, with a 40-X height and bulk limit.

Building Permit Application Number, if Applicable: N/A

THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance) and 15070 (Decision to Prepare a Negative Declaration), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached: -Over-

Mitigation measures, if any, included in this project to avoid potentially significant effects:
-None Required-

Final Negative Declaration adopted and issued on 2/23/98

In the independent judgement of the Department of City Planning, there is no substantial evidence that the project could have a significant effect on the environment.

HILLARY E. GITELMAN
Environmental Review Officer

cc: Robert Passmore
Sponsor
Leavelle Davis (1st page only)
Distribution List
Bulletin Board
Master Decision File

12/97

PROJECT SETTING: The site is the former rail switching yard used by Western Pacific Railroad to send and receive rail cars from a ferry ship constructed at 25th and Delaware Streets (see Figure 1, Project Location). The San Francisco yard operated almost exclusively as a switchyard for rail cars either brought across the Bay on ferry from Oakland or cars held in the yard for trans-shipment by ferry to Oakland. Railroad operations by the Western Pacific were reduced considerably in 1975, when the ferry service to and from Oakland ceased. Subsequently, transfer of cars into and out of San Francisco yard was accomplished by means of switching arrangement with the Southern Pacific railroad. Tracks and ties in excess of the needs of Union Pacific were removed in 1985-86. Following approval by the Interstate Commerce Commission of Union Pacific's request to suspend rail service to San Francisco in early 1987, the remaining rails, ties, buildings and ferry slip were dismantled. The site has basically remained vacant since 1987.

The proposed facility would be located on approximately 3.5 acres under the jurisdiction of the Port of San Francisco. The project is bounded by 25th, Maryland, Cesar Chavez, and Louisiana Streets within the industrialized section of the City. The site is primarily undeveloped, unimproved vacant land. Land adjacent to the site to the west is also vacant. A former drayage site, now used for truck, bus and RV storage is located to the southwest. The Port of San Francisco North Container Terminal is located to the east and southeast of the site. A crane storage facility and a PG&E site is located to the north. The San Francisco Municipal Railway Maintenance Yard is located to the south across Cesar Chavez Street.

The project area is zoned M-2 (Heavy Industrial). M-2 industrial districts are the least restricted as to use and are located at the eastern edge of the City, separated by several blocks from residential and commercial areas. Please see Figure 1 showing the site and the zoning on the site and the surrounding area. In the M-2 zones, heavier industries are permitted uses with fewer requirements as to screening and enclosure than in M-1 Districts. The closest industrial buildings to the project site are approximately 150 feet east and north of the site. These buildings and associated pavements front on Cesar Chavez Street and 24th Street, respectively.

PROJECT DESCRIPTION: The proposed project consists of the development of a concrete recycling facility (See Figure 2). After removal of the existing debris, the area would be paved with gravel. The facility would include a portable concrete crusher, cycle screen and conveyor system with a combination water misting and dust suppressor package. Materials would be crushed in the portable concrete crushing machine, with unusable debris removed by hand. Such debris would not include hazardous waste, in accordance with Section 16 of the Port Lease Agreement, whereby no hazardous materials are allowed on the site. "Unusable debris" includes old rebar and wood which would be separated and taken to an appropriate disposal site. After the materials are crushed and mixed into reusable concrete, it would be sold and delivered to new construction sites. The concrete recycling facility would be operated on land leased from the Port by Crushcon, Inc. The intended length of the lease would be approximately two years.

This facility would receive concrete waste materials removed as part of construction projects being carried out in the City. Potential projects that would supply source materials may include Geneva Towers, airport outbuildings, and buildings at the proposed ballpark. Some of the recycled material may be reused in the ballpark construction. Many, but not all projects contributing materials to the facility could be under the jurisdiction and management of the City. This would make it practical to control scheduling of those City controlled truck deliveries to, and removal from, the facility if this should be desirable for traffic control purposes.

Building projects requiring the removal from a site of concrete would often economically "buy back" the recycled material.

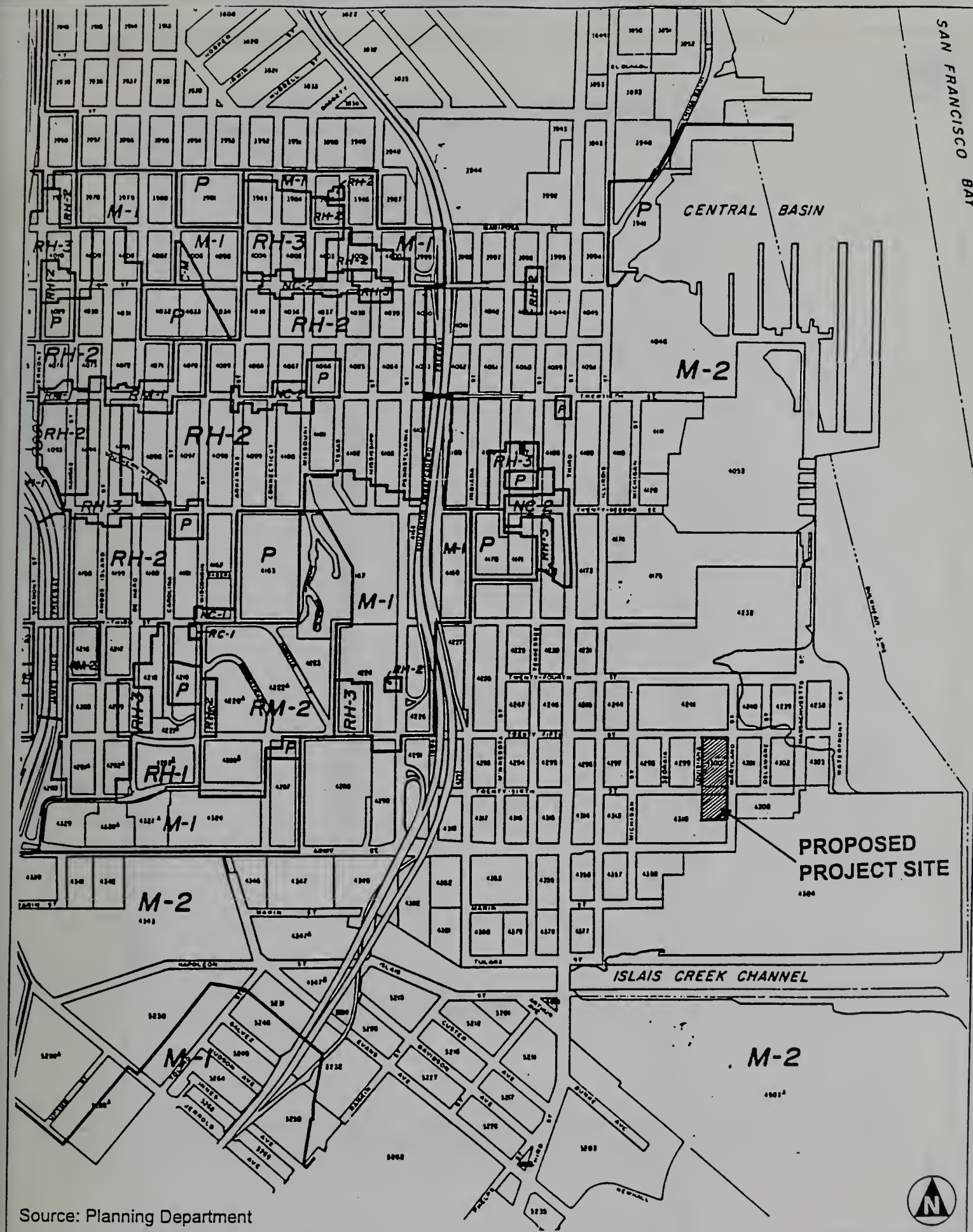
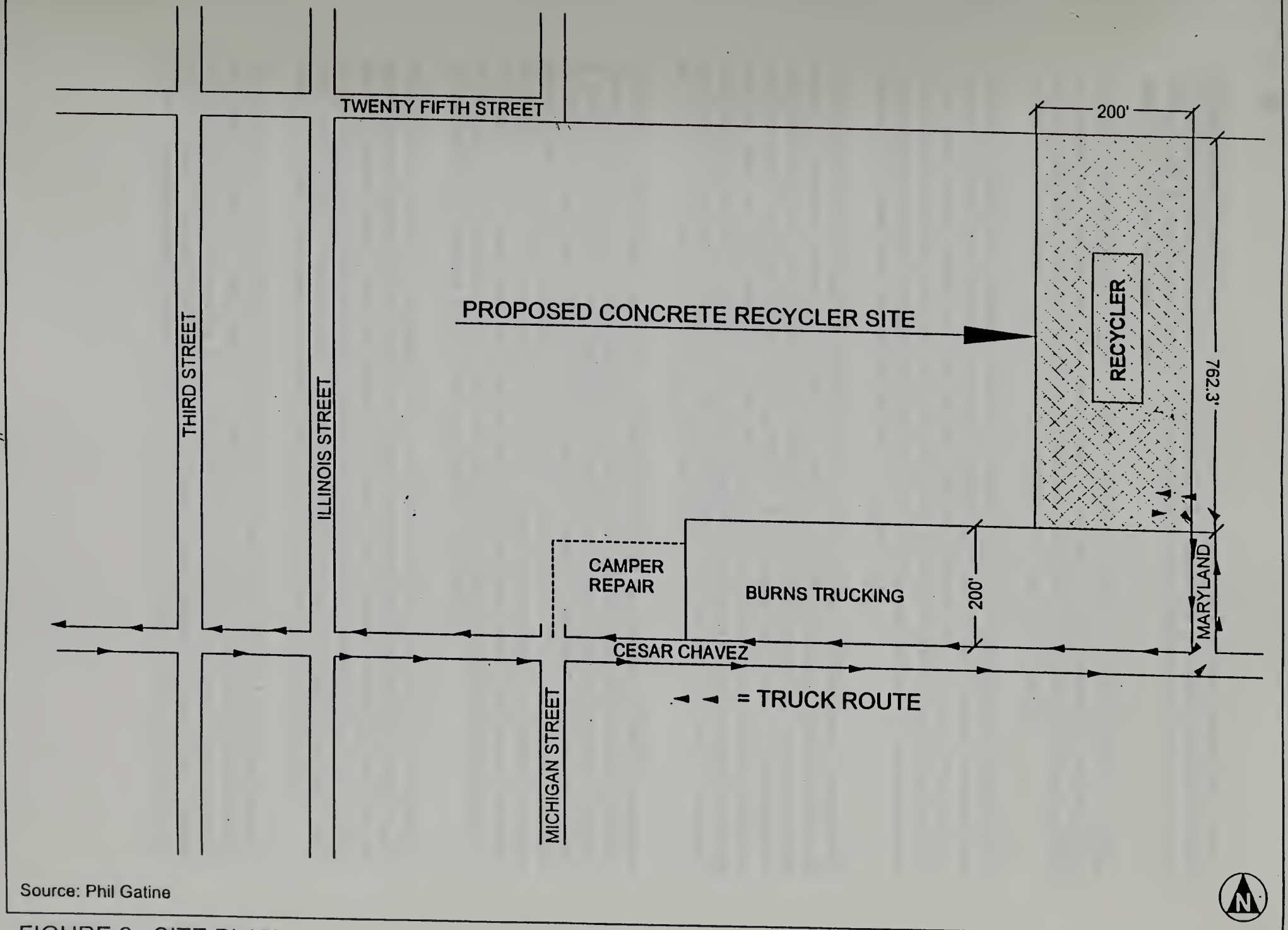


FIGURE 1: PROJECT LOCATION AND ZONING IN THE VICINITY



Source: Phil Gatine

FIGURE 2: SITE PLAN

Facility Design: The City Planning Code requires that the entire site be enclosed by fencing with a height of at least six feet around the perimeter of the leasehold. Fencing of the site would occur before any other cleanup work. A gate that may be positioned along the Cesar Chavez Street/Maryland Street boundary of the site which would provide access to the facility.

After the cleanup and removal of existing materials on the site, a portion of the facility would be developed as a receiving area. Parking for the site workers' vehicles and trucks would be necessary. Adequate loading and turning area for the rigs that would haul materials in and out would be required. A level and accessible area for the equipment used at the facility would be designated in the center of the site.

Concrete Transport and Handling Procedures: The trucks would be a combination of conventional 2 axle dump trucks with a smaller number of trips employing larger 4 to 6 axle vehicles. Materials would be loaded at the source sites into dump trucks with hauling capacities of between ten and twenty cubic yards. It is anticipated that a monthly concrete tonnage between 180 to 360 tons would be processed at the site, which would require 10 to 20 trucks to reach the site per day. Trucks transporting the concrete would enter the site through a gate located at the southeastern perimeter of the project site.

Following removal of the materials from the delivery trucks, processing would begin based on outstanding orders for construction materials. The machinery that would be used in the recycling operation includes typical equipment designed to carry out this type of crushing and/or pulverizing operation including a portable concrete crusher, cycle screen and conveyor system with a combination water misting and dust suppressor package. Materials brought to the site by trucks would be crushed in the portable concrete crushing machine, with unusable debris removed by hand. The processed materials would be moved by conveyor belt and loaded into trucks to be delivered to the customer. The recycling facility would be generally located in the center of the project site. The site would be level and paved with gravel.

The concrete recycling facility operation would require a permit from the Bay Area Air Quality Management District (BAAQMD) and must be managed in accordance with the standards and requirements of Regulation 8, Rule 40 of the BAAQMD. The throughputs, fuel, materials consumption, capacities, and hours of operation described in the ministerial Air Quality Permit granted to the operator of the facility would be the maximum allowed. Use of a dust suppression chemical, or a device to contain dust from the recycling operation, and/or sprinkling of the site could be required by BAAQMD. A change in the parameters, quantities, or materials to be handled would require a new permit from the BAAQMD. The project would be required to file a notice of intent and seek a General Permit from the BAAQMD under the State's Industrial Waste Regulations but the monitoring of the operation would be the responsibility of the Port staff.

Permits and Approvals: For an operator to have a finally approved lease with the Port, permits would be required from the Regional Water Quality Control Board, and the BAAQMD. Permits and approvals required from City agencies would include: San Francisco Port Commission approval of a leasing agreement between the Port and the operator; Port engineering office approval of grading and building permits; Department of Public Works and Public Health certification that the requirements of Article 20 regarding testing for toxics do not have to be met since there is no proposed excavation or disturbance of the existing surface.

The project site is located more than 100 feet from the shore of San Francisco Bay and is therefore outside the jurisdiction of the Bay Conservation and Development Commission (BCDC). Although the project does not require BCDC approval, the area of the site was identified as a "Port-Priority Use Area." The recommended uses for facilities within the Port-Priority Use Areas are those that offer support to the maritime activities at the Port. This proposed temporary use would not constitute a maritime activity. However, as a temporary use

involving no permanent structures, it would not preclude maritime support uses on the project site in the future; acknowledgment of these findings would be sought from BCDC.

In November 1986, the voters of San Francisco approved Proposition M, the Accountable Planning Initiative, which added Section 101.1 to the City Planning Code to establish eight Priority Policies. These policies are: preservation and enhancement of neighborhood-serving retail uses; protection of neighborhood character; preservation and enhancement of affordable housing; discouragement of commuter automobiles; protection of industrial and service land uses from commercial office development and enhancement of resident employment and business ownership; maximization of earthquake preparedness; landmark and historic building preservation; and protection of open space. Prior to issuing a permit for any project which requires an Initial Study under CEQA, or adopting any zoning ordinance or development agreement, the City is required to find that the proposed project is consistent with the Priority Policies.

POTENTIAL ENVIRONMENTAL EFFECTS

Land Use and Visual Quality: While the site currently has no structures on it, there are mounds of construction debris that were illegally placed on the site after it was vacated by Western Pacific Railroad. The industrial uses within 1,000 feet of the site include large paved areas for the Port of San Francisco North Container Terminal, the PG&E facility, the former drayage facility and the crane storage site. The project site is located on filled lands covered with weeds, grasses, brush and debris. There are no areas that could be considered natural. The development of the proposed project would not involve any new permanent structures. The proposed temporary use of the site is consistent with the existing industrial character of the area and would not result in adverse effects on land use in the vicinity or the visual quality of the site of surrounding properties.

Public Services and Utilities: The proposed project would not result in substantial increased demand for or expansion of public services or utilities. After removal of the existing debris, an area would be paved with gravel. A connection may be made to the city's waterlines. This work would be done in compliance with all applicable City requirements and permits. Water uses would include bringing in trucks with non-potable water to spray the site for dust control when necessary pursuant to BAAQMD requirements. Portable toilets would be provided for site workers.

Traffic and Transportation: Transportation of construction materials to and from the site would result in increased truck traffic in the eastern area of the Cesar Chavez Street corridor. Ingress and egress to the site would be via Maryland Street from Cesar Chavez Street and US 101. The traffic generated by the facility would be a combination of heavy and light duty trucks. If the materials were coming from or going to a public works project, both the time of day and the route to be followed could be specified by the Department of Public Works (DPW). The Port could negotiate with the Department of Traffic Engineering and determine a schedule and route that any trucks related to this facility would be required to take.

Based on the project sponsor's estimate, truck trips to and from the site would be in the range of 20 to 40 trips per day. This projected number is not large enough to be noticed within the existing levels of truck and vehicular traffic to this industrial area. The most likely truck route to the site would be directly from US 101 and the Cesar Chavez exit. The projected minimal additional number of daily trips from this proposal would not change the operative levels of service or be considered a significant addition to the existing or projected conditions.

Noise: The project site is located in an industrial area. Land adjacent to the site to the west is vacant. A former drayage site, now used for truck, bus and RV storage is located to the southwest. The Port of San Francisco North Container Terminal is located to the east and southeast of the site. A crane storage facility and a PG&E site is located to the north. The San Francisco Municipal Railway Maintenance Yard is located to the south across Cesar Chavez Street. No noise-sensitive land uses are located within 1,000 feet of the project site. No background noise measurements are available for the project site or immediate vicinity.

There would be project-related noise associated with the use of the heavy equipment such as front-end loaders, backhoes, and scrapers during site preparation. This type of equipment generally produces noise that ranges from 70 to 85 dBA (A-weighted decibel level) at a distance of 50 feet.

Construction noise in the City and County of San Francisco is regulated by the City's noise Ordinance (Ordinance No. 274-72). The noise ordinance restricts construction to the hours between 7 AM and 8 PM if the noise of the construction exceeds the background noise level by 5 dBA.

The noise ordinance also requires that any powered construction equipment used in the City and County of San Francisco shall not emit noise at a level in excess of 80 dBA at a distance of 100 feet from the source. Allowing for a drop-off in noise with distance from a point source, this is equivalent to 86 dBA measured at a distance of 50 feet.[1] The equipment and trucks used for project construction and operation would use the best available noise control techniques to minimize construction and operational impacts. The heavy equipment that would be used at the project site, when properly maintained and adequately muffled, would meet the requirements of the noise ordinance. Because the project would comply with the Noise Ordinance and because there are no noise sensitive uses nearby, no significant noise impacts would result from the proposed project.

Water Quality: The proposed project site is located on the margin of San Francisco Bay, approximately 1,000 feet north of the Islais Creek Channel. The Bay and Channel are the receiving waters for surface water runoff from the project area. The water quality of San Francisco Bay and the Islais Creek Channel are impacted by municipal and industrial discharges. The analysis of sediment samples collected from near the point where Islais Creek enters the Bay indicates that the sediments in this area of the Bay contain elevated levels of heavy metals.[2]

The Port's Engineering staff have determined that the site topography and proposed ground cover would ensure that water on the site was captured and naturally percolated and that there would be no danger to Bay waters, nor is it necessary or desirable to provide drainage into the City's combined sewer system. As indicated above, the proposed project would require a permit from the Regional Water Quality Control Board. This would ensure that there would be no adverse water quality effects.

Air Quality: The operation requires a permit from the Bay Area Air Quality Management District. On the basis of the information furnished to the BAAQMD, a ministerial permit would be granted to construct and start up the project. The types of activities involved in the proposed operation could generate dust, however, not in a sensitive area, since the site is surrounded by industrial uses. Furthermore, the type of equipment to be used would include dust suppression devices. The review by the BAAQMD of the permit application and any conditions attached to this permit regarding construction and operation techniques would assure that air quality standards would not be violated.

Biological Resources: The proposed project site would occupy vacant land within an industrial area. It has been covered with rubble and non-native weeds since after Western Pacific Railroad left the site in 1987. Wildlife use of the site appears to be minimal due to the extent of the disturbance that has occurred to the site.

and the absence of cover and forage. Furthermore, no endangered or rare plants or animals have been identified at the site. Therefore, the proposed project would not result in any significant effects on biological resources.

Geology/Seismicity: The site is located within a seismically active area of northern California. The most significant seismic event expected to affect the project site would occur on the San Andreas fault. The nature of the soils underlying the site and the shallow groundwater indicate that violent ground shaking and liquefaction are likely. Potentially damaging earthquakes could also occur on other Bay Area faults, but these events would produce lower expected seismic shaking at the site than the maximum credible earthquake on the San Andreas. There would be no excavation or change in the topography of the site. There would be no permanent structures constructed on the site, nor would the project attract a large number of people to the site. Hence, the project would not expose people or structures to major geologic hazards.

Hazardous Materials: The project site is located within the area regulated by Article 20, Section 1000 et.seq. of the San Francisco Public Works Code, also known as the Maher Ordinance. Projects located bayward of the historic high-tide line that involve disturbance of at least 50 cubic yards of soil must comply with Article 20 of the San Francisco Public Works Code which requires analysis of the site for the possibility of hazardous materials in the soil, and the preparation of a site mitigation report if deemed necessary by the Department of Public Health. However, since there would be no excavation required for this project, there is no potential for encountering or disturbing contaminated soils, and the Maher Ordinance requirements are not triggered.

Conclusions: All items on the Initial Study Checklist have been checked "No", indicating that, upon evaluation, staff has determined that the proposed project could not have a significant adverse environmental effect. Several of those Checklist items have also been checked "Discussed", indicating that the Initial Study text includes discussion about that particular issue. For all of the items checked "No", without discussion, the conclusions regarding potential significant adverse environmental effects are based upon field observation, staff experience and expertise on similar projects, and/or standard reference material available within the Department, such as the Department's Transportation Guidelines For Environmental Review, or the California Natural Diversity Data Base and maps, published by the California Department of Fish and Game. For each checklist item, the evaluation has considered the impacts of the project both individually and cumulatively. The proposed project is consistent with all applicable zoning controls. No variance or other special authorization is needed. While the project is located on Port Land, as a temporary use, it would not conflict with Proposition H passed by the voters of San Francisco in November of 1990. While local concerns or other planning considerations may be grounds for modification or denial of the proposal, in the independent judgement of the City Planning Department, there is no substantial evidence that the proposed project could have a significant effect on the environment.

ENDNOTES

1. U.S. Environmental Protection Agency. *Protected Noise Levels.* 1978.

2. Geo/Resource Consultants, Inc. And the MARK Group. 1988 Work Plan, Subchapter 15 Compliance, Pier 94 Solid Waste Disposal Site, Volume IV. Unpublished report prepared for the Port of San Francisco.

ENVIRONMENTAL EVALUATION CHECKLIST

(Initial Study)

File No: 97.711E Title: Temporary Concrete Crushing Facility

Street Address: Maryland at Cesar Chavez Street Assessor's Block/Lot: 4300/1 and 4310/4

Initial Study Prepared by: Joy Navarrete, Department of City Planning
Consultant: none

		Not Applicable	Discussed
A.	COMPATIBILITY WITH EXISTING ZONING AND PLANS		
1.	Discuss any variances, special authorizations, changes proposed to the City Planning Code or Zoning Map, if applicable.	X	X
*2.	Discuss any conflicts with any other adopted environmental plans and goals of the City or Region, if applicable.	X	X

		Yes	No	Discussed
B.	ENVIRONMENTAL EFFECTS - Could the project:			
1.	Land Use			
	*a. Disrupt or divide the physical arrangement of an established community?	__	X	__
	*b. Have any substantial impact upon the existing character of the vicinity?	__	X	X
2.	Visual Quality			
	*a. Have a substantial, demonstrable negative aesthetic effect?	__	X	X
	b. Substantially degrade or obstruct any scenic view or vista now observed from public areas?	__	X	__
	c. Generate obtrusive light or glare substantially impacting other properties?	__	X	__

* Derived from State EIR Guidelines, Appendix G, normally significant effect.

		Yes	No	Discussed
3.	Population			
	*a. Induce substantial growth or concentration of population?	___	X	___
	*b. Displace a large number of people (involving either housing or employment)?	___	X	___
	c. Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply?	___	X	___
4.	Transportation/Circulation			
	*a. Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system?	___	X	X
	b. Interfere with existing transportation systems, causing substantial alterations to circulation patterns or major traffic hazards?	___	X	___
	c. Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity?	___	X	___
	d. Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities?	___	X	___
5.	Noise			
	*a. Increase substantially the ambient noise levels for adjoining areas?	___	X	X
	b. Violate Title 24 Noise Insulation Standards, if applicable?	___	X	___
	c. Be substantially impacted by existing noise levels?	___	X	___
6.	Air Quality/Climate			
	*a. Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation?	___	X	X
	*b. Expose sensitive receptors to substantial pollutant concentrations?	___	X	___
	c. Permeate its vicinity with objectionable odors?	___	X	___
	d. Alter wind, moisture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region?	___	X	___

* Derived from State EIR Guidelines, Appendix G, normally significant effect.

		Yes	No	Discussed
7.	Utilities/Public Services			
	*a. Breach published national, state or local standards relating to solid waste or litter control?	___	X	___
	*b. Extend a sewer trunk line with capacity to serve new development?	___	X	___
	c. Substantially increase demand for schools, recreation or other public facilities?	___	X	___
	d. Require major expansion of power, water, or communications facilities?	___	X	X
8.	Biology			
	*a. Substantially affect a rare or endangered species of animal or plant, or the habitat of the species?	___	X	X
	*b. Substantially diminish habitat for fish, wildlife or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species?	___	X	___
	c. Require removal of substantial numbers of mature, scenic trees?	___	X	___
9.	Geology/Topography			
	*a. Expose people or structures to major geologic hazards (slides, subsidence, erosion and liquefaction)?	___	X	X
	b. Change substantially the topography or any unique geologic or physical features of the site?	___	X	___
10.	Water			
	*a. Substantially degrade water quality, or contaminate a public water supply?	___	X	X
	*b. Substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge?	___	X	___
	*c. Cause substantial flooding, erosion or siltation?	___	X	___
11.	Energy/Natural Resources			
	*a. Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	___	X	___
	b. Have a substantial effect on the potential use, extraction, or depletion of a natural resource?	___	X	___

* Derived from State EIR Guidelines, Appendix G, normally significant effect.

		Yes	No	Discussed
12.	Hazards			
	*a. Create a potential public health hazard or involve the use, production or disposal of materials which pose a hazard to people or animal or plant populations in the area affected?	___	X	X
	*b. Interfere with emergency response plans or emergency evacuation plans?	___	X	___
	c. Create a potentially substantial fire hazard?	___	X	___
13.	Cultural			
	*a. Disrupt or adversely affect a prehistoric or historic archaeological site or a property of historic or cultural significance to a community, ethnic or social group; or a paleontological site except as a part of a scientific study?	___	X	___
	b. Conflict with established recreational, educational, religious or scientific uses of the area?	___	X	___
	c. Conflict with the preservation of buildings subject to the provisions of Article 10 or (proposed) Article 11 of the City Planning Code?	___	X	___

C. OTHER

	Yes	No	Discussed
Require approval of permits from City Departments other than Department of City Planning or Bureau of Building Inspection or from Regional, State or Federal Agencies?	X	___	X

D. MITIGATION MEASURES

	Yes	No	N/A	Discussed
1. Could the project have significant effect if mitigation measures are not included in the project?	___	___	X	___
2. Are all mitigation measures necessary to eliminate significant effects included in the project?	___	___	X	___

E. MANDATORY FINDINGS OF SIGNIFICANCE

	Yes	No	Discussed
*1. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or pre-history?	___	X	___

* Derived from State EIR Guidelines, Appendix G, normally significant effect.

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
Telephone 415 274 0400
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wwwsfport.com

MEMORANDUM

May 20,1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie G. Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: First Amendment to the Professional Services Contract CT-3970006 for the "Design of the Hyde Street Harbor Facility" for additional services in the sum of $93,190 with Concept Marine Associates, on a time and materials basis.

DIRECTOR'S RECOMMENDATION: APPROVAL OF A FIRST AMENDMENT, AUTHORIZING ADDITIONAL DESIGN SERVICES UNDER PROFESSIONAL SERVICES CONTRACT FOR "HYDE STREET HARBOR FACILITY" WITH CONCEPT MARINE ASSOCIATES.

On October 22, 1997, the Controller certified Port Contract CT-3970006 with Concept Marine Services, Inc. ("CMA") for $240,300. The work scope included programming, design development, cost estimating, and contract document development for the Hyde Street Harbor Waterside Facility. The components included were a disability accessible gangway, concrete walkway floats, concrete support floats for sixty (60) fishing berths, dredging, a floating debris barrier, electrical and water services, bilge and sewage pump-out services and other utilities.

During the conceptual design, the Port received substantial input from outside sources. The Port Disability Access Advisor, the Fisherman's Wharf Association and members of the

THIS PRINT COVERS CALENDAR ITEM NO. 6A

Environmental Quality Advisory Committee ("EQAC") recommended additions to the project. This resulted in additional project components, beyond the original project scope. Additional program components include:

1) Landside paving design and layout for the roadway from Jefferson Street to the end of the new pier.
2) The design for two new parking lot areas (one approximately 130'x60' and the other 110'x80').
3) Pedestrian walkways.
4) Required signage for landside improvements.
5) New fuel line from the existing tank to fuel dock, including a new facility for unloading fuel from delivery truck to the tank.
6) A new 1,200 square foot pile supported pier, designed for permit truck loads, including a new closure element from the existing pier to the new pier. It will be approximately 5-feet by 130-feet long and include a new 150' long cantilever retaining wall.
7) Architectural, Mechanical, Electrical and Structural Engineering design for a new restroom building.
8) Structural details for the roof support of a portion of an existing building which will have to be partially demolished to accommodate one of the new parking lots.
9) Design of a new sculpture/art feature for the entry gate to the new marina.
10) Design of an impervious cover for fueling portion of the fuel dock, as well as an oil/water separator and an ADA ramp for access to the fuel pier.
11) Drinking fountains, furniture, and public access amenities at the public access area at the end of the pier.
12) Locations and sizes for signage relating to the requirements of the operations plan for information to the boaters.

The disability access and parking amenities are necessary to meet Code requirements and the Department of Boating and Waterways grant loan criteria.

These items are integral with CMA's original scope of services. To ensure proper coordination and scheduling, staff recommends that this work be added to CMA's existing contract. Staff has negotiated a fee of $93,190 for additional services, for a revised total contract amount of $333,490. Staff seeks the Commission's approval of this contact amendment.

Prepared by: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-47

WHEREAS, the Port Commission previously awarded a contract in the amount of $240,300 to Concept Marine Associates ("CMA") for the design of the Hyde Street Harbor Facility; and

WHEREAS, it is necessary to amend CMA's scope of services to include additional services; and

WHEREAS, CMA will prepare the necessary construction and bid documents for the Port to solicit bids; and

WHEREAS, CMA's contract will also be amended to provide additional scope of services; therefore be it

RESOLVED, the San Francisco Port Commission hereby approves the First Amendment in the amount of $93,190 to Concept Marine Associates for Professional Services Contract, "Hyde Street Harbor Facility," and authorize the Executive Director or his designee to execute the First Amendment in substantially the form on file with the Port Commission Secretary, and in such final form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 26, 1998.

_____
Secretary

i\Cliff\Commision\Concept Marine 51298

FIRST AMENDMENT TO STANDARD AGREEMENT

This First Amendment to Standard Agreement, dated for convenience as of the 23rd day of April, 1998, in the City and County of San Francisco, State of California, by and between:

Concept Marine Associates, Inc.
530 Bush Street, Suite 900
San Francisco, CA 94111

and its Subconsultants (hereinafter collectively referred to as "Concept Marine"), and City and County of San Francisco, a municipal corporation, (hereinafter referred to as the "City"), acting by and through the San Francisco Port Commission (hereinafter referred to as the "Commission").

RECITALS

WHEREAS, the Port and Concept Marine entered into that certain agreement (hereinafter referred to as the "Agreement"), dated July, 1997, for all architectural and engineering services and prepare all plans, specifications, reports, construction cost estimates, and related items necessary for the design and construction support for the Hyde Street Waterside Facility; and

WHEREAS, the parties desire to modify the Agreement through this First Amendment, according to the terms hereinafter set forth; all other terms and conditions of the Agreement to remain in full force and effect in accordance with its terms and each subsequent amendment thereto; and

WHEREAS, approval for said First Amendment was obtained from the San Francisco Port Commission by Resolution No. 98-XX, dated May 26, 1998;

NOW, THEREFORE, the parties agree as follows:

1. Additional Services to be provided by the Consultant:

   Refer to Appendix A: "Additional Services to be provided by Consultant."

2. Calculation of Charges:

   Refer to the "Revised Calculation of Charges", page B-1 from the previous contract.

3. Calculation of Additional Charges:

   Refer to Appendix B page B-2: "Calculation of Additional Charges

4. Revised Schedule of Hourly Rates:

   The Consultant hourly rates shall be revised per the attached schedules at Appendix C.

5. Contract Amount - First Amendment

   Section 6 of the Agreement is revised to increase the amount of compensation from $190,000.00 to $333,490.00. Appendix B of the Agreement, entitled "Calculation of Charges" is revised to include Additional Services as follows:

   "1. Phase I Additional Services:

Payment for Phase I Additional Services shall be on a time and materials basis subject to a Not to Exceed the Amount of Twenty One Thousand, Three Hundred and Seventy Dollars ($21,370.00)."

"2. Phase II Additional Services:

Payment for Phase II Additional Services shall be on a time and materials basis subject to a Not to Exceed the Amount of Fifty Nine Thousand, Four Hundred and Ninety Dollars ($59,490.00)."

"3. Construction Support Additional Services:

Payment for Phase Construction Support Additional Services shall be on a time and materials basis subject to a Not to Exceed the Amount of Twelve Thousand, Three Hundred and Thirty Dollars ($12,330.00)."

EXECUTION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day first mentioned above.

CITY

Approved as to Form:

Louise H. Renne
City Attorney

By:_____
John W. Rakow, III
Deputy City Attorney
San Francisco Port Commission

Recommended by:

_____
Cliff Jarrard
Chief Harbor Engineer

Recommended by:

_____
Alexander K. Lee
Director of Facilities & Operations

Authorization by Port Commission

Resolution No.:_____

Adopted:_____

Attest:

By:_____
Secretary, Port Commission

APPROVED BY:

_____
Douglas F. Wong
Executive Director

CONSULTANT

_____
Name

_____
Address

_____
City State Zip

I have read and understood Section 37, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

By: _____
Signature

_____
Name Title

_____
Phone Number

_____
Federal Employer Number

APPENDIX A
ADDITIONAL SERVICES TO BE PROVIDED BY CONSULTANT

Payment for the services provided for in Appendix A, Additional Services to be Provided by Consultant, shall be made in accordance with the provisions of this Appendix and the terms and conditions of the Agreement. Payment for authorized Consultant services shall be on a time and materials basis subject to the Not-To-Exceed Amount of Ninety Three Thousand One Hundred and Ninety Dollars ($93,190), including reimbursable expenses.

The costs to complete the services is broken down as follows:

1. All landside paving design and layout, including:
   - A. Roadway from Jefferson Street to end of new pier;
   - B. Two new parking lot areas, one approximately 130'x60' and the other approximately 110'x80' including necessary grading for proper drainage, curbs, bullrails and wheel stops as required;
   - C. Pedestrian walkways.

2. Required signage (street and regulatory signs) for landside improvements.

3. New fuel line from existing tank to fuel dock, including a new facility for unloading fuel from delivery truck to tank, along with associated valving.

4. Structural elements (landside):
   - A. Approximately 150' of 5 to 6 feet high pile-supported, concrete, cantilever retaining wall;
   - B. Approximately 1,200 square feet of new pile supported pier;
   - C. Approximately 5 feet by 130 feet long closure element from existing pier and new pier to existing and new retaining wall;
   - D. Items A, B, and C will be designed from HS 20-44 loads;
   - E. Structural design for the restroom building;
   - F. Structural details for the roof support of portion of existing building to remain at north side of new parking lot, after demolition part of the building to construct the parking lot.

5. Restroom Building
   - A. Provide architectural design;
   - B. Mechanical/Electrical plans.

6. Provide sculpture/art feature as part of gate structure.

7. Provide impervious cover for fueling portion of fuel dock, including new drain and piping to water/oil separator.

8. Changes in drawings and permit applications due to change in pier layout.

9. Provide furniture and/or public access amenities at public access area at pier end.

10. Provide locations and sizes for signage relating to requirements of operations plan for information to boaters.

11. Drinking fountain.

12. Fence, west side.

13. Fuel Pier Ramp.

14. Wall Detailing.

Reimbursable items as listed above shall be billed at a cost plus a no more than five (5%) mark-up.

The Consultant' updated fee schedules are as attached and included in this Appendix C.

All other services outside of the basic services, as authorized by the Port in writing, shall be compensated on a time and materials basis using the scheduled fee rates or on a negotiated fee basis.

REVISED
CALCULATION OF CHARGES

Payment for the services provided for in Appendix A, Services To Be Provided By Consultant, shall be made in accordance with the provisions of this Appendix and the terms and conditions of the Agreement. Payment for authorized Consultant services shall be on a time and materials basis subject to the **Not-To-Exceed-Amount of Two Hundred Forty Thousand Three Hundred Dollars ($240,000), including reimbursables.**

The costs to complete the services is broken down as follows:

1.	Phase I, Preliminary Design Study		$64,000
2.	Phase II, Detailed Design and Construction Documents		
	a.	Including Waterside Facility	$97,600
	b.	Landside Electrical/Mechanical-including sewer And oil/water separator and fuel dock pump-out	$15,550
3.	Construction Support - as requested and authorized by the Port		$22,550
4.	Reimbursables		$8,250
5.	Additional Services - as requested and authorized by the Port of San Francisco		
	a.	Site Survey - including topographic and hydrographic surveys	$4,000
	b.	Bilge/Sewer Pump Station	$7,400
	c.	Other Additional Services as required	$20,950
		TOTALS:	**$240,300**

Reimbursable items shall be billed at cost plus a no more than five percent (5%) mark-up.

The Consultant's hour estimates and fee schedules are as attached and included in this Appendix B.

All other services outside of the basic services, as authorized by the Port in writing, shall be compensated on a time and materials basis using the scheduled fee rates or on a negotiated fee basis.

APPENDIX B

CALCULATION OF ADDITIONAL CHARGES
HYDE STREET HARBOR FACILITY

Tasks	TOTAL	Concept Marine	Arcus	NBA Eng	PSC Assoc.	Don Todd
PHASE I - PRELIMINARY DESIGN STUDY						
Total Phase I	$21,370	$9,800	$5,070	$6,500		
PHASE II - CONTRACT DOCUMENTS						
Total Phase II	$59,490	$35,660	$15,900	$5,930	$1,000	$1,000
CONSTRUCTION SUPPORT						
Total Construction Support	$12,330	$7,655	$3,300	$1,375		
Total Additional Fee	$93,190	$53,115	$24,270	$13,805	$1,000	$1,000

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM
May 20, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie G. Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of additional funds in the sum of $12,423.70 for Contract No. 2650, "Pier 24/24-½ Annex Emergency Partial Structural Repair," with Biller-McCoy Builders, Inc. and authorization to accept the work

DIRECTOR'S RECOMMENDATION: APPROVE ADDITIONAL FUNDS FOR CONTRACT 2650 IN THE AMOUNT OF $12,423.70, FOR THE PIER 24/24-½ ANNEX EMERGENCY PARTIAL STRUCTURAL REPAIR CONTRACT WITH BILLER-McCOY BUILDERS, INC. AND AUTHORIZE THE EXECUTIVE DIRECTOR TO ACCEPT THE WORK

On March 16, 1998, the Commission President issued a declaration of emergency resulting from the partial collapse of Pier 24 and the threat to adjacent Pier 24-½. On April 14, 1998, the Commission ratified the declaration of emergency and the Port's emergency contract with Biller-McCoy Builders, Inc. for demolition and repair work in the amount of $248,386 plus a 10% ($24,838.60) contingency for possible cost increases under Contract No. 2650. The total authorized funding was $273,224.60. Since the Commission authorized the $273,224.60 in funding while the emergency work was underway, the complete scope of work had not yet been determined. The Engineers estimate for the work was $350,000. Biller-McCoy has now completed the emergency work within the project schedule at a final cost of $285,648.30. This is $12,423.70 more than the $273,224.60 the Commission previously authorized.

Funds for the additional contract cost are available in the Port's Operating Fund. Biller-McCoy is an HRC-certified MBE contractor.

Staff recommends the Commission approves the additional cost of $12,423.70 and further authorizes the Executive Director to accept the completed work for Contract No. 2650.

Prepared by: Cliff Jarrard, Chief Harbor Engineer

THIS PRINT COVERS CALENDAR ITEM NO. **6B**

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **98-48**

WHEREAS, the Commission previously ratified the Pier 24/24-½ declaration of emergency and authorized $248,386 plus a 10% contingency ($24,838.60) for possible cost increases for emergency Contract No. 2650, "Pier 24/24-½ Annex Emergency Partial Structural Repair," with Biller-McCoy Builders Inc.; and

WHEREAS, the $273,224.60 in funds was authorized while emergency work was underway and before the complete scope and cost of work had been determined; and

WHEREAS, the Engineer's estimate for the work was $350,000; and

WHEREAS, Biller-McCoy has now completed the work at a final cost of $285,648.30; and

WHEREAS, this is $12,423.70 greater than the Commission previously authorized; and

WHEREAS, funds for this additional contract cost are available in the Port's Operating Fund; and

WHEREAS, Biller-McCoy is a certified MBE contractor; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves additional contract funds of $12,423.70 for Contract No. 2650, "Pier 24/24-½ Annex Emergency Partial Structural Repair," with Biller-McCoy Builders, Inc., and now therefore be it further

RESOLVED, that the San Francisco Port Commission authorizes the Executive Director to accept the completed work.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 26, 1998.

_____
Secretary

I:\ CLIFF\Commission\AGD-2650mod

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

May 21, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie G. Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of a Memorandum of Understanding between the Port and various City Departments concerning the Waterfront Transportation Projects.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION TO ADOPT THE WATERFRONT TRANSPORATION PROJECTS MEMORANDUM OF UNDERSTANDING.

On February 8, 1991 the Port entered into a Memorandum of Understanding (MOU) with the Public Utilities Commission, the Chief Administrative Officer, the Department of Public Works, the Planning Department, and the Department of Parking and Traffic to construct a series of integrated projects along or adjacent to the San Francisco waterfront. The projects subject to the 1991 MOU were collectively known as the Waterfront Transportation Projects and included: the Embarcadero Surface Roadway Reconstruction Project, the Muni Metro Extension Project, the Muni Metro Turnaround Project, and the F-Line Historic Streetcar Project. Of the projects subject to the 1991 MOU, the North, the South, and the King Street segments of the Embarcadero Surface Roadway Reconstruction Project and the Muni Metro Turnback Project have been completed.

The City and County of San Francisco intends to construct additional integrated public improvement projects along or adjacent to the San Francisco Waterfront, as well as complete the Muni Metro Extension and the F-Line Historic Streetcar Project. These additional projects are known as the Mid-Embarcadero Surface Roadway and F-Line Extension Project, the Muni Metro Extension (MMX)/ F-Line Connector Project, the Surface Street Improvement Project (a package of design and operational surface improvements on various

streets), and the Mid Embarcadero Open Space Project. All the projects set forth above are collectively referred to herein as the "Waterfront Transportation Projects." The Mid-Embarcadero Open Space Project is not included in this MOU and may be the subject of subsequent revisions to the MOU.

The boundaries of the Waterfront Transportation Projects extend along The Embarcadero from North Point Street to King Street and along King Street from The Embarcadero to Fifth Street. The Mid-Embarcadero Surface Roadway and F-Line Extension Project extends along The Embarcadero from Harrison Street to Broadway. The Waterfront Transportation Projects will be constructed primarily on property which is, and will continue to be, under the jurisdiction of the Port, with the exception of King Street, most of which is outside Port jurisdiction.

This Memorandum of Understanding is to be entered into by and between the Department of Public Works (DPW), the Port Commission (Port), the Department of Parking and Traffic (DPT), the Public Transportation Commission (PTC), the Public Utilities Commission (PUC), and the Art Commission. The parties intend that this MOU replace the 1991 MOU. The MOU, sets forth the essential rights, understandings, and agreements of the various City departments as they relate to the design, construction and maintenance of the Waterfront Transportation Projects. A copy of the MOU is attached to this memorandum.

The Port Commission approved the final Mid-Embarcadero design at its meeting on August 12, 1997. By executing the MOU, the Port affirms its approval of the Final Design for the Roadway and F-Line Extension Project. Other significant provisions of the MOU are as follows:

1. **Project Responsibilities.**
   a) **Construction.** DPW, working in coordination with PTC, will have lead responsibility for construction of the Mid-Embarcadero Roadway Project, including the F-Line Historic Streetcar and the MMX/F-Line Connector. Construction will be at no cost to Port other than upgrading utilities for Port uses. However, in initiating any changes that materially amend the construction documents, the Port must consider any negative impacts that the changes might have on the projects, especially with regard to cost and scheduling. Except for changes requested by the Port as a result of design defects or the negligence of DPW (both of which will be at no cost to the Port) implementation of said changes are subject to prior agreement by parties to the MOU. DPW, working in coordination with DPT, will have lead responsibility for a package of design and operational surface improvements on various streets.

   b) **Regulatory Approvals.** DPW and PTC are responsible for seeking and obtaining all regulatory approvals required for the Waterfront Transportation Projects including the cost of permit applications. The Port will act in the capacity of a co-applicant for any required approval, if necessary.

c) **Coordination.** DPW and the PTC will assist the Port to assure that tenant, vehicular and pedestrian access and utility needs are addressed during construction. Port and DPW will also coordinate the construction of the Roadway with other Port anticipated projects, including Pier 1, the Ferry Building, the Ferry Terminal, and the Rincon Point Park restaurant.

d) **Design Continuity.** The Port shall seek to maintain the continuity of the Waterfront Transportation Projects design scheme in any future construction or modifications within the project limits, which may be needed to accommodate future Port uses. The Port shall match materials and color as appropriate. The Port shall rely on the Waterfront Transportation Projects construction documents for this review.

2. **Maintenance.** DPW will maintain The Embarcadero Roadway as an accepted City street. DPW will also maintain The Roadway medians, Promenade and central plaza in front of the Ferry Building. The Art Commission will repair the Art Ribbon as necessary. PTC will maintain the F-Line and other rail trackway areas. The Port will pay the energy and maintenance costs of the Ferry Plaza's power supply and lighting and the energy costs for lights in the Promenade. The Port shall also retain authority over the placement of parking meters and over parking meter revenues.

3. **Payment to Port/Acquisition of Real Property Rights.** The Waterfront Transportation Project will acquire permanent surface and subsurface rights to eleven parcels under Port jurisdiction for so long as the property is used for roadway and appurtenant purposes serving Port property. In consideration, the project will pay the Port the fair market value of these parcels based upon their "highest and best use". Based upon independent appraisals of the property, the Port will receive $8,524,000 for the use of these parcels plus monthly rent of $26,250.00 for the use of Rincon Point Park. The acceptance of this financial offer is the subject of a separate Port Commission resolution (calendar item 7B).

4. **Tenant Relocation.** The Port agrees to terminate the leases and vacate the premises, if necessary, of all Port tenants located within the Mid-Embarcadero project area prior to construction, as required by the Federal Uniform Relocation Act.

5. **Muni Ferry Bus Terminal.** The Port will allow PTC to occupy an area of Port property by up to 37 feet wide between Steuart, Mission Street and The Embarcadero for transit operations for its Muni Ferry Bus Terminal, until it ceases to be used for such purposes.

Prepared By: Paul Osmundson
Director, Planning & Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-50

WHEREAS, Removal of the freeway in the Ferry Building area has provided a unique opportunity to improve vehicle and pedestrian circulation to and from the waterfront and provide an appropriate and grand setting for the Ferry Building; and

WHEREAS, On February 8, 1991 the Port entered into a Memorandum of Understanding (MOU) with the Public Utilities Commission, the Chief Administrative Officer, the Department of Public Works, the Planning Department, and the Department of Parking and Traffic to construct a series of integrated projects along or adjacent to the San Francisco waterfront; and

WHEREAS, The City and County of San Francisco intends to complete the Muni Metro Extension and the F-Line Historic Streetcar Project, which along with the North and South Embarcadero Roadway Projects and the Muni Metro Turnaround, are collectively referred to as the "Waterfront Transportation Projects" or "Projects"; and

WHEREAS, The Waterfront Transportation Projects Office has led the preparation of project design and an Environmental Impact Report (EIR) and Environmental Impact Statement (EIS) for the Mid-Embarcadero Surface Roadway and F-Line Project (the Project) to assess environmental impacts in the area; and

WHEREAS, The Planning Commission certified the Final EIR/EIS (FEIR), amended the General Plan, and made a finding of consistency with the General Plan on September 19, 1996, and adopted the Mid-Embarcadero Urban Design Concept on October 10, 1996; and

WHEREAS, On October 8, 1996, the Port Commission adopted Resolution No.96-102, adopting findings under the California Environmental Quality Act related to a portion of the Project, and Resolution No. 96-103, approving the Roadway alignment and authorizing the Executive Director to negotiate an agreement regarding the review and final approval process for the Project; and

WHEREAS, On November 12, 1996 the Port Commission approved Resolution No. 96-113 approving the Design Parameters for the Project; and

WHEREAS, On August 12, 1997, the Port Commission approved Resolution No. 97-68, approving the final design of the Project; and

WHEREAS, The Port of San Francisco, the Department of Public Works, the Department of Parking and Traffic, the Public Transportation Commission, the Public Utilities Commission, and the Art Commission wish to replace the 1991 MOU in order to set forth the essential relative rights, understandings, and agreements as they relate to the design, construction and maintenance of the Waterfront Transportation Projects; now, therefore be it

RESOLVED, that the Port Commission authorizes the Executive Director to enter into a Memorandum of Understanding (MOU) by and between the Port of San Francisco, the Department of Public Works, the Department of Parking and Traffic, the Public Transportation Commission, the Public Utilities Commission, and the Art Commission, to design, construct and maintain the Waterfront Transportation Projects, substantially in the form on file with the Port Commission Secretary for this item, and in such final form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 26, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
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wwwsfport.com

MEMORANDUM

May 22, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of compensation for Port property to be used for the Mid-Embarcadero Roadway Project

Background

On February 8, 1991 the Port entered into a Memorandum of Understanding (MOU) with various City Departments for the Waterfront Transportation Projects, which include the North Embarcadero, South Embarcadero, Mid-Embarcadero and King Street segments of the Embarcadero Surface Roadway Project, the Muni Metro Extension Project, the Muni Metro Turnaround Project and the F-Line Historic Streetcar Project. Of the projects subject to the 1991 MOU, the North Embarcadero, South Embarcadero and King Street segments and the Muni Metro Turnback Project have been completed.

The Mid-Embarcadero Roadway Project (the "Project") is the central link necessary to complete the Waterfront Transportation Projects, which extend from Fisherman's Wharf to Sixth and King Streets. The Mid-Embarcadero Roadway Project covers the area from Folsom Street to Broadway Streets on the Embarcadero, and includes roadway, plaza and pedestrian improvements as well as a portion of the F-Line.

Under the original MOU, the Port withheld its approval of the Mid-Embarcadero Roadway Project, subject to urban design review and approval of the roadway and the consideration of a parking garage to replace the loss of surface parking spaces and Port revenues resulting from the Project. The Project is causing the permanent displacement of 339 parking spaces in the Embarcadero right-of-way.

In July 1996, the Port Commission preliminarily endorsed the inclusion of a 350 space underground parking garage as part of the Mid-Embarcadero Roadway Project. The garage was proposed to be constructed on an adjacent parcel of City owned property known as Block 202, which is bounded by the Embarcadero, Drumm, Washington and Clay Streets. At that time, the Commission requested that staff diligently pursue full

funding for the roadway project and the parking garage. The parking garage was subsequently included in the preferred alternative for the Mid-Embarcadero Roadway Project.

In October, 1996 the Port Commission adopted CEQA findings for the Mid-Embarcadero Roadway Project and approved the roadway alignment (Port Commission Resolutions 96-102 and 96-103). In November, 1996 the Port Commission approved design parameters for the Project and in August, 1997 approved the final design of the Project. As part of each of the approvals, the Port Commission withheld final approval of the Project until the completion of an updated Memorandum of Understanding and resolution of the issue of parking replacement.

Under a separate item on today's Port Commission calendar, a revised Memorandum of Understanding for the Waterfront Transportation Projects is being considered. The issue of parking replacement is addressed in the new MOU, along with other matters.

Functional Replacement of Port Parking

The project will be addressing the issue of replacement parking for the Port pursuant to 23 CFR Chapter 1, Section 712.601 - 712.606 "Functional Replacement of Real Property in Public Ownership." Under these regulations, federal funds can be used to pay for either the replacement of a facility acquired as a result of a federal project (such as parking lots), or to compensate the public agency whose property would be used for the project, if the Federal Highway Administration (FHWA) determines that functional replacement is in the public interest. In the case of compensation, the public agency (the Port) is compensated based on the fair market value of the property needed for the Project. Exhibit A includes two letters from Caltrans, one letter requesting a determination from FHWA that functional replacement of Port parking is in the public interest, and a second letter from Caltrans confirming that FHWA has concurred with the public interest finding and authorizing the City to proceed an appraisal of Port property.

There are a number of complicating factors regarding the underground parking garage option related to project funding and cost, scheduling and the relationship of the parking to the Ferry Building.

Project Funding and Cost

The Port and the Department of Public Works have prepared preliminary cost estimates for the underground garage that range from $17 million to $23 million, or $48,500 to $65,000 per space. Although the parking garage is eligible for federal funding, due to eligibility requirements and other funding rules only a portion of the cost would be funded by the Mid-Embarcadero Roadway Project, and the remaining would need to be funded locally by the City and the Port.

Scheduling

As a condition of the approval of the Mid-Embarcadero Roadway Project, the San Francisco Board of Supervisors required that construction of a parking garage on Block

202 could not begin until the Port had executed a contract with a developer for a major renovation of the Ferry Building. The Ferry Building RFP has just been released, and a contract with a developer will not be executed for more than a year.

The schedule for the Mid-Embarcadero Roadway Project calls for a notice to proceed to be issued to the contractor in June, 1998. The City is therefore prepared to award a contract and begin construction on the roadway project, but cannot do so until Caltrans have given the project right-of-way clearance. The Port must either accept the offer of compensation or select the parking garage option in order for the right-of-way clearance to be issued.

It is clear that the condition for the Ferry Building cannot be met in time for the necessary right-of-way clearance to be issued for the Project.

Relationship to the Ferry Building

Finally, there is also some uncertainty regarding whether the Ferry Building project needs the 350 parking space garage to succeed. Until a developer is selected and a specific proposal is identified, the answer to that question cannot be answered with certainty. The parking garage could still be pursued once a developer for the Ferry Building has been selected and a contract has been executed. The funding and construction responsibility for the garage would be determined at that time, in the event that the garage were to be pursued.

Property Appraisal

Attached as Exhibit B is the offer to acquire parcels for the Mid-Embarcadero Roadway Project. Based on appraisals prepared by independent panel appraisers under the direction of the City's Real Estate Department, the value of the parcels is $8,524,000. Additionally, a parcel needed for the construction of the project would be rented from the Port for approximately $26,250 per month for up to 24 months, for a total of $630,000.

STAFF RECOMMENDATION

In light of the funding questions associated with the garage, the scheduling of the roadway and Ferry Building projects and the uncertainty regarding the amount and location of parking needed for the Ferry Building. Port staff recommends that the Port Commission accept the offer of $8,524,000 as the fair market value of the parking areas needed for the Mid-Embarcadero Roadway Project. The Port would grant the City non-exclusive surface and sub-surface property rights for the purposes of constructing, maintaining and operating roadway and light rail facilities.

The attached resolution approves the acceptance of compensation for the Port property needed for the project.

Prepared by: Paul Osmundson
Director of Planning and Development

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-51

WHEREAS, On February 8, 1991 the Port entered into a Memorandum of Understanding (MOU) with various City departments concerning the Waterfront Transportation Projects; and

WHEREAS, The Mid-Embarcadero Roadway Project (the "Project"), which involves roadway and transit improvements on the Embarcadero between Broadway and Harrison Streets, is the key remaining segment of the Waterfront Transportation Projects to be completed, and the implementation of the Project would result in the permanent displacement of 339 surface parking spaces; and

WHEREAS, Under the original MOU the Port withheld approval of the Mid-Embarcadero Roadway Project pending design review and consideration of the construction of a parking garage to replace the parking spaces lost to the Project; and

WHEREAS, On July 9, 1996 the Port Commission adopted Resolution 96-74 which preliminarily endorsed a 350 space underground parking garage as part of the Project, and requested that staff diligently pursue full funding the project and the parking garage; and

WHEREAS, An Environmental Impact Report / Environmental Impact Statement (EIR/EIS) for the Mid-Embarcadero Surface Roadway Project and F-Line Project to assess environmental impacts of the potential project alternatives being considered has been prepared; and

WHEREAS, The Planning Commission certified the Final EIR/EIS, amended the City's General Plan and made a finding of consistency with the General Plan on September 19, 1996 and adopted the Mid-Embarcadero Urban Design Concept on October 10, 1996; and

WHEREAS, On October 8, 1996 the Port Commission adopted Resolution No. 96-102, adopting findings under the California Environmental Quality Act related to a portion of the Project, and Resolution No. 96-103, approving the roadway alignment and authorizing the Executive Director to negotiate a revised MOU for the project; and

WHEREAS, Under CFR 23 Chapter I Section 712, a federally funded transportation project must either functionally replace a facility (such as a parking lot) or must provide compensation for the acquisition of the real property in public

ownership needed for the transportation project, if the State Highway Department (Caltrans) and the Federal Highway Administration (FHWA) determine that the functional replacement is in the public interest; and

WHEREAS, Caltrans and FHWA have determined that the application of functional replacement regulations for the Mid-Embarcadero Roadway Project to replace Port parking is in the public interest; and

WHEREAS, The property needed for the Mid-Embarcadero Roadway Project (shown as an attachment to Exhibit B) consist of eleven parcels totaling 174,681 square feet of Port property currently used for surface parking lots; and

WHEREAS, The City's Real Estate Department, as well as the Port, have had the properties appraised, and a review appraisal has been prepared under the direction of Caltrans; and

WHEREAS, The offer to acquire non-exclusive surface and subsurface rights for 11 parcels for the purposes of constructing the Mid-Embarcadero Roadway Project is $8,534,000, along with $26,500 per month for an additional parcel needed for two years of construction; now, therefore be it

RESOLVED, That the offer of $8,534,000 for the eleven parcels totaling 174,681 square feet of land as described in the Offer to Acquire Parcels For Mid-Embarcadero Project ("Offer") is accepted; and, be it further

RESOLVED, That the Port shall hereby grant the City non-exclusive surface and subsurface rights to the parcels identified in the attached "Offer."

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of May 26, 1998.

_____
Secretary

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY PETE WILSON, Governor

DEPARTMENT OF TRANSPORTATION
BOX 23660
OAKLAND, CA 94623-0660
(510) 286-4444

EXHIBIT A

March 23, 1995

04-SF-0-SF
Embarcadero
Roadway Projects

Mr. A. K. Mockus
Division of Right of Way
Federal Highway Administration
980 9th Street Suite 400
Sacramento, CA 95814-2724

Dear Mr. Mockus:

The City and County of San Francisco will be displacing Port of San Francisco and City parking as part of their Embarcadero Roadway Projects. They are requesting Federal participation in functional replacement for parking removed as a result of the Embarcadero projects. Attached is the City's request letter, and the Port's letter to the City.

The areas identified by the City where loss of parking has and will occur include all Embarcadero Projects: mid; North; and South. Since the funding sources for these individual projects differ, it is assumed that if functional replacement is considered, the City would have to locate available Federal funding from these sources. Also, the Port of San Francisco has indicated to us that they would like an appraisal of their property required for the projects prior to making their final decision regarding functional replacement. We are requesting authorization for the City to proceed with an appraisal of the Port properties used for parking which are impacted by the Embarcadero Projects. According to the City's tabulations, the property needed from the Port is the same for all project alternatives for the mid-Embarcadero project. The North and South Embarcadero projects are under construction, so the parking displacement by project should be known.

We concur with the City that the property acquisition from the Port and the displacement of City parking appear to warrant functional replacement. We request your concurrence that functional replacement is in the public interest and your authorization to proceed pursuant to 23 CFR712.604(3)(4).

If you have any questions please contact Maria Cresci at (510)286-5353.

Sincerely,

JOE BROWNE
District Director

By

John A. Hibel
District Office Chief
R/W Local Public Agency Services

cc. Rebecca Kohlstand. City CAO
Dennis Bouey, Port
John Newlin, DPT
Herb Okubo, Caltrans
Jake Louis, Caltrans
Jo Ann Cullom, Caltrans
Maria Cresci, Caltrans

JOE FYI - Maria

TATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY PETE WILSON, *Governor*

DEPARTMENT OF TRANSPORTATION
IOX 23660
)AKLAND, CA 94623-0660
510) 286-4444

March 31, 1995

04-SF-0-SF
Embarcadero
Roadway Projects

Mr. Rudolf Nothenberg
Chief Administrative Officer
City and County of San Francisco
War Memorial Veterans Building, Room 437
401 Van Ness Avenue
San Francisco, CA 94102

Dear Mr. Nothenberg::

We are pleased to report that the Federal Highway Administration has agreed with the City that functional replacement of parking removed as a result of the Embarcadero Roadway Projects is in the public interest; and, on a conceptual basis, they have approved your request for functional replacement. At this time, the FHWA will authorize an appraisal of the property impacted.

The City and County of San Francisco should proceed with securing an FNM 76, the Federal authorization document, through Caltrans Local Streets and Roads. The appraisal should be done by an agency qualified pursuant to 23CFR 710.203. Work should be done in accordance with 49CFR, 23CFR, and all appropriate Federal and State regulations.

If you have any questions please contact Maria Cresci at (510) 286-5353.

Sincerely,

JOE BROWNE
District Director

By

John A. Hibel
District Office Chief
R/W Local Public Agency Services

cc. Rebecca Kohlstand, City CAO
Dennis Bouey, Port
John Newlin, DPT
Joe Browne, Harry Yahata, Denis Mulligan, Richard J. Murphy, Herb Okubo, Jake Louie, Jo Ann Cullom, Maria Cresci, Caltrans

City and County of San Francisco

Real Estate Department
Office of the
Director of Property

EXHIBIT B
May 20, 1998

Mr. Douglas F. Wong
Executive Director
Port of San Francisco
C/O Paul Osmundson
Ferry Building, Suite 3100
San Francisco, CA 94111

RE: OFFER TO ACQUIRE PARCELS FOR MID-EMBARCADERO PROJECT

Dear Mr. Wong:

As you are aware, the Mid-Embarcadero Project is scheduled to begin construction soon. We have appreciated working with your staff in order to bring this project to the construction stage.

Attached to this letter is an Appraisal Summary Statement, summarizing our review appraiser's opinion of value for Parcels A,B,C,D,E,F,G,H,I,K & N ("The Mid-Embarcadero Parcels"), as well as the rental value for Parcel O. Also enclosed, is a copy of the draft memorandum of understanding between the Port of San Francisco, the Department of Parking and Traffic, the Public Transportation Commission, the Art Commission, and the Public Utilities Commission.

The Mid-Embarcadero Project is prepared to offer the Port of San Francisco for non-exclusive surface and subsurface property rights pertaining to the Mid-Embarcadero Parcels, and as functional replacement for loss of parking the sum of $8,524,000 EIGHT MILLION FIVE HUNDRED TWENTY-FOUR THOUSAND DOLLARS.

Please submit our offer and the draft memorandum of understanding to the Port Commission for their approval as soon as possible. It is important to the construction schedule that the commission's approval is obtained expeditiously.

Thank you for your assistance in regard to this project.

Sincerely,

Anthony J. DeLucchi
Director of Property

54-9850
AX: 552-9216

25 Van Ness Avenue, Suite 400

San Francisco, 94102

City and County of San Francisco

Real Estate Department
Office of the
Director of Property

APPRAISAL SUMMARY STATEMENT

May 19, 1998

Public Agency:	City and County of San Francisco
Project Location:	Mid – Embarcadero Roadway Project, 4–SF–0–CR , ER – 1600 (047), Parcels A,B,C,D,E,F,G,H,I,K & N as shown on the attached Exhibit A.
Project Description:	Acquisition of non-exclusive surface and subsurface property rights, for use as roadway and rail purposes for the Mid-Embarcadero Roadway Project.
Parcels:	Parcels A,B,C,D,E,F,G,H,I,K & N as shown on the attached Exhibit A, along with legal descriptions attached as Exhibit B..
Federal Highway Administration File No.:	04-929778, ER – 1600 (047)

Your property is required for reconstruction and improvement of the Embarcadero roadway and F – line railway by the City of San Francisco Mid-Embarcadero Project.

Title III of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 and the California Relocation Assistance and Real Property Acquisition Guidelines requires that each property owner from whom a public agency purchases real property or an interest therein, or each tenant owning improvements on said property, is provided with a summary of the appraisal of the real property or interest therein, as well as the following information:

1) You are entitled to receive full payment prior to vacating the real property being purchased unless you have heretofore waived such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real estate taxes which are allocable to any period subsequent to the passage of title or possession.

2) The project will offer to acquire any remnant(s) considered to be an uneconomic unit(s) which is (are) contiguous to the land being conveyed.

3) All buildings structures and other improvements affixed to the land described in the referenced Exhibit B are being acquired by the project unless other disposition of these improvements have been made. The interest acquired is for non-exclusive surface and subsurface use of the property, replacing the functional loss of automobile parking.

4) The market value of the property is based upon a market value appraisal as summarized herein, and such amount:

   a. Represents the full amount of the appraisal of just compensation for the property to be acquired;
   b. Is not less than the approved appraisal of fair market value of the property as improved;
   c. Disregards any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which the property is to be acquired or by the likelihood that the property would be acquired for such public improvement, other than that due to physical deterioration within reasonable control of the owner or occupant; and
   d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits which the owner is entitled to receive under an agreement with the city.

5) The owner of a business conducted on the property to be acquired, or conducted on the remaining property which will be affected by the acquisition of the required property, may be entitled to compensation for the loss of goodwill. Entitlement is contingent on the ability to prove such loss in accordance with the provisions of Sections 1263.510 and 1263.520 of the Code of Civil Procedure.

6) If you ultimately reject the City's offer for your property, you are entitled to have the amount of compensation determined by a court of law in accordance with the laws of the State of California.

Attached hereto as Exhibit "B" is the legal description of the real property to be acquired.

This summary of the basis of the amount offered as just compensation has been derived from an appraisal and environmental studies conducted by a qualified

appraiser and environmental engineer; said appraisal and studies were prepared for and reviewed by the public agency.

It is understood that all buildings, structures, and other improvements affixed to the real property being acquired and owned by the grantor(s) herein, are being conveyed unless other disposition of these improvements has been made.

This offer includes payment for the following:

Non-exclusive surface and subsurface property rights replacing functional Value for parking as follows:

174,681 square feet of land area. 117,506 square feet (67.3%) to be used by the Department of Public Works for roadway purposes, and 57,175 square feet to be used by the Municipal Railway for rail purposes.

Payment Amount Offered Is:	$8,524,000	Base Amount
Less:	None	Asbestos Abatement Costs, Soil Remediation Costs & Demolition
Net Amount Offered is Therefore:	**$8,524,000**	

In addition to the above, the project will rent the parcel designated as Parcel O for **$26,250** month for up to two years.

This above offered amount:

1. Is the full amount believed by the Public Agency to be just compensation for the property and is not less than the fair market value of the property as determined on the basis of the appraisal and environmental engineering studies.

2. Disregards any increase or decrease in the fair market value of the property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner; and

3. Does not reflect any relocation payments or other relocation assistance which you may be entitled to receive

Definition of Market Value

Market value is that price a property will command if exposed for sale in the open market, by an informed seller to an informed buyer, neither party being under any undue pressure to buy or sell.

The principal appraisal technique used in appraising your property was the income approach which consists of an analysis of income derived from the property or comparable properties, directly capitalized. Our appraiser's calculations of the property value based upon capitalizing projected income, along with an allocation of the roadway and rail use is attached hereto as Exhibit C.

Other Important Information

It is understood that you are entitled to provide any information as to the value of the property to be acquired should you differ with the established fair market value.

If you ultimately elect to reject the City's offer for your property, you are entitled to have the amount of compensation determined by a court of law in accordance with the laws of the State of California.

Delivery of This Document

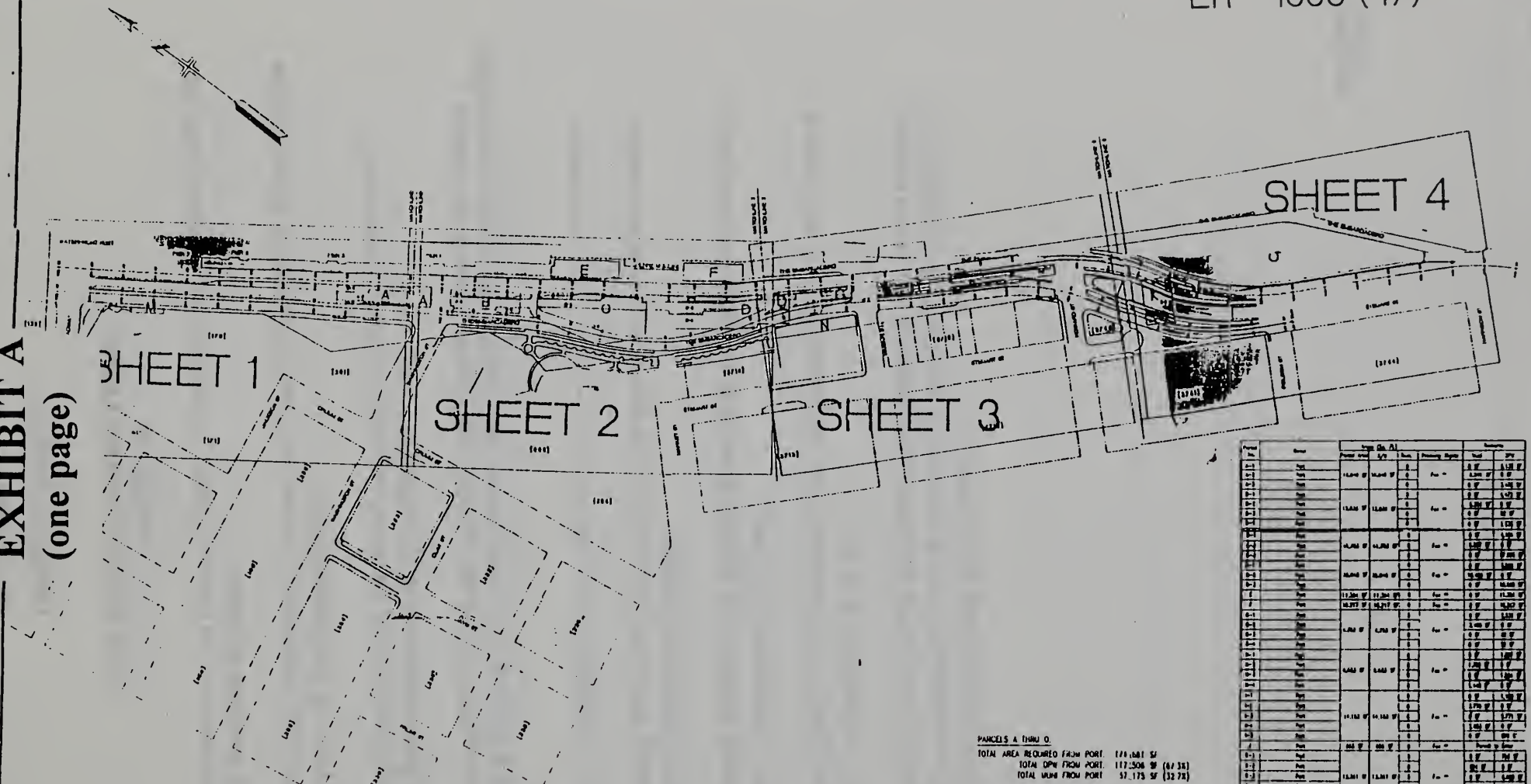
A copy was mailed to Douglas Wong on 5/20/98 (SL)

IN CASE OF A BUSINESS YES NO X

The owner of a business conducted on a property to be acquired, or conducted on the remaining property which will be affected by the purchase of the required property, may be entitled to compensation for the loss of goodwill. Entitlement is contingent upon the business owner's ability to prove such loss in accordance with the provisions of Sections 126S-.510 and 1263.520 of the Code of Civil Procedure.

ER - 1600 (47)

EXHIBIT A
(one page)



PARCELS A THRU O

TOTAL AREA REQUIRED FROM PORT 171,681 SF
TOTAL DPW FROM PORT 117,508 SF (67.38)
TOTAL MUNI FROM PORT 57,175 SF (32.78)

** THE PROPERTY RIGHT TO BE APPRAISED IS BASED ON A FEE INTEREST, HOWEVER, THE PROPERTY RIGHT TO BE ACQUIRED WILL BE BY AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE PORT OF SAN FRANCISCO

NO	DATE	DESCRIPTION	BY
1	07/97	ADDITION OF PARCEL E, F AND O	TD
2	04/98	ADDITION OF PARCEL N	TD

TABLE OF REVISIONS

CHECK WITH TRACING TO SEE IF YOU HAVE ALL REVISION

REFERENCE INFORMATION & FILE NO OF SURVEYS

BUREAU OF ENGINEERING
DEPARTMENT OF PUBLIC WORKS
CITY AND COUNTY OF SAN FRANCISCO

DESIGNED DATE	LTD 4/27/98
DRAWN DATE	LTD 4/27/98
CHECKED DATE	SY 4/98

APPROVED
SECTION MANAGER DATE
DIVISION MANAGER DATE
CITY ENGINEER DATE

SCALE: NONE
SHEET OF SHEETS
KEY MAP

MID EMBARCADERO SURFACE ROADWAY AND F-LINE EXTENSION

APPRAISAL MAP - SHEET LAYOUT

SPECIFICATION NO 60940
DRAWING NO
FILE NO
REV NO 2

EXHIBIT B
(eleven pages)

MID-EMBARCADERO PROJECT
PARCEL A

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the northerly line of Washington Street with the southwesterly line of The Embarcadero;

THENCE running easterly along the easterly extension of said northerly line of Washington Street a distance of 124.33 feet;

THENCE deflecting 63°57'26" to the right from the preceding course and running southeasterly a distance of 17.94 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 90°00'00" to the left from the preceding course and running southwesterly a distance of 4.8 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and runnig northwesterly a distance of 227.0 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southwesterly a distance of 55.6 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southeasterly a distance of 297.0 feet to the TRUE POINT OF BEGINNING, containing 16,849 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL B

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southerly line of Washington Street with the southwesterly line of The Embarcadero;

THENCE running easterly along the easterly extension of said southerly line of Washington Street a distance of 103.92 feet;

THENCE deflecting 116°02'34" to the left from the preceding course and running northwesterly a distance of 15.85 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 90°00'00" to the right from the preceding course and running northeasterly a distance of 3.4 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 12.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northeasterly a distance of 50.2 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 214.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 61.8 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northwesterly a distance of 74.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northeasterly a distance of 8.2 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 128.0 feet to the TRUE POINT OF BEGINNING, containing 12,036 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL C

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the northeasterly extension of the northwesterly line of Market Street;

THENCE running northeasterly along said northeasterly extension of said northwesterly line of Market Street a distance of 60.61 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 7.28 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 00°41'28" to the left from the preceding course and running northwesterly a distance of 146.36 feet;

THENCE deflecting 30°53'14" to the right from the preceding course and running northerly a distance of 208.29 feet;

THENCE deflecting 69°25'29" to the right from the preceding course and running northeasterly a distance of 77.8 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 313.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 17.8 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southeasterly a distance of 26.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 107.0 feet to the TRUE POINT OF BEGINNING, containing 41,703 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL D

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the northeasterly extension of the southeasterly line of Market Street;

THENCE running northeasterly along said northeasterly extension of said southeasterly line of Market Street a distance of 74.00 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 11.16 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 97°22'57" to the right from the preceding course and running northeasterly a distance of 99.5 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 381.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 15.5 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northwesterly a distance of 21.0 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southwesterly a distance of 73.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northwesterly a distance of 100.0 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southwesterly a distance of 11.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northwesterly a distance of 260.0 feet to the TRUE POINT OF BEGINNING, containing 35,045 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL E

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the northeasterly extension of the northwesterly line of Market Street;

THENCE running northeasterly along said northeasterly extension of said northwesterly line of Market Street a distance of 261.34 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 62.51 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 10°47'21" to the left from the preceding course and running northwesterly a distance of 45.88 feet;

THENCE deflecting 19°26'22" to the right from the preceding course and running northwesterly a distance of 170.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northeasterly a distance of 36.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 10.0 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northeasterly a distance of 20.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 203.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 40.0 feet to the TRUE POINT OF BEGINNING, containing 11,384 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL F

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the northeasterly extension of the southeasterly line of Market Street;

THENCE running northeasterly along said northeasterly extension of said southeasterly line of Market Street a distance of 213.23 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 32.53 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 81°20'59" to the left from the preceding course and running northeasterly a distance of 54.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 189.2 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 54.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northwesterly a distance of 189.2 feet to the TRUE POINT OF BEGINNING, containing 10,217 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL G

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the northwesterly line of Mission Street;

THENCE running northeasterly along the northeasterly extension of said northwesterly line of Mission Street a distance of 80.52 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 0.50 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 04°28'07" to the left from the preceding course and running northwesterly a distance of 68.65 feet;

THENCE deflecting 00°52'33" to the left from the preceding course and running northwesterly a distance of 26.31 feet;

THENCE deflecting 98°44'46" to the right from the preceding course and running northeasterly a distance of 57.4 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 94.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 44.0 feet to the TRUE POINT OF BEGINNING, containing 4,752 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL H

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the southeasterly line of Mission Street;

THENCE running northeasterly along the northeasterly extension of said southeasterly line of Mission Street a distance of 75.60 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 0.35 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 90°33'13" to the right from the preceding course and running northeasterly a distance of 44.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 100.0 feet;

THENCE deflecting 13°02'37" to the right from the preceding course and running southerly a distance of 61.59 feet;

THENCE deflecting 76°57'23" to the right from the preceding course and running southwesterly a distance of 30.1 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northwesterly a distance of 160.0 feet to the TRUE POINT OF BEGINNING, containing 6,623 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL I

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southwesterly line of The Embarcadero with the northwesterly line of Howard Street;

THENCE running northeasterly along the northeasterly extension of said northwesterly line of Howard Street a distance of 62.69 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 3.44 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 89°07'19" to the left from the preceding course and running northeasterly a distance of 41.1 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 105.0 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northwesterly a distance of 220.0 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southwesterly a distance of 44.3 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southeasterly a distance of 169.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 1.8 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running southeasterly a distance of 156.0 feet to the TRUE POINT OF BEGINNING, containing 14,153 square feet, more or less.

MID-EMBARCADERO PROJECT
PARCEL K

That certain land situated in the City and County of San Francisco, State of California, more particularly described as follows:

COMMENCING at the intersection of the southeasterly line of Howard Street with the northeasterly line of Steuart Street;

THENCE running southeasterly along said northeasterly line of Steuart Street a distance of 182.47 feet;

THENCE deflecting 90°00'00" to the left from the preceding course and running northeasterly a distance of 0.51 feet to the TRUE POINT OF BEGINNING of this description;

THENCE deflecting 00°04'34" to the right from the preceding course and running northeasterly a distance of 136.6 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 98.0 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 138.4 feet;

THENCE deflecting 111°57'09" to the right from the preceding course and running northerly a distance of 4.81 feet;

THENCE deflecting 21°57'09" to the left from the preceding course and running northwesterly a distance of 93.53 feet to the TRUE POINT OF BEGINNING, containing 13,391 square feet, more or less.

MID-EMBARCADERO PROJECT

PARCEL "N"

All that certain land situated in the city of San Francisco, State of California, more particularly described as follows:

THENCE running northwesterly along said southwesterly line of the Embarcadero a distance of 250.27 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running northeasterly a distance of 34.08 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southeasterly a distance of 250.27 feet;

THENCE deflecting 90°00'00" to the right from the preceding course and running southwesterly a distance of 34.08 feet to the POINT OF BEGINNING, containing 8529 square feet, more or less.

EXHIBIT C
(two pages)

DIRECT CAPITALIZATION
STABILIZED OPERATING STATEMENT

POTENTIAL GROSS INCOME:

Parcel	Size	Rent/SF	Annual Rent
A	16,849	$0.40	$80,875
B	12,036	$0.45	$64,994
C	41,703	$0.50	$250,218
D	35,045	$0.50	$210,270
E	11,384	$0.50	$68,304
F	10,217	$0.50	$61,302
G	4,752	$0.45	$25,661
H	6,623	$0.40	$31,790
I	14,153	$0.25	$42,459
K	13,391	$0.15	$24,104
N	8,528	$0.45	$46,051

TOTAL POTENTIAL GROSS INCOME:			$906,029
LESS: STABILIZED VACANCY:		2.0%	($18,121)
EFFECTIVE GROSS INCOME:			$887,908
EXPENSES:			
	Managemen	2.0%	$17,758
	Reserves:	2.0%	$17,758
TOTAL EXPENSES:			($35,516)
NET OPERATING INCOME:			$852,392
CAPITALIZED AT:		10.0%	$8,523,919
ROUNDED TO:			$8,524,000

Mid Embarcadero

	Parcel	Ricci Total Value	Total Parcel Area	Future Roadway Area	Roadway Area Value	Roadway Percentage Factor	Future MUNI Area	MUNI Area Value	MUNI Percentage Factor
1	A	$ 760,872	16,849	8,608	$ 388,723	0.51089085	8,241	$372,149	0.48910915
2	B	$ 611,464	12,036	5,700	$ 289,576	0.47357926	6,336	$321,887	0.52642074
3	C	$2,354,051	41,703	32,176	$1,816,271	0.77155121	9,527	$537,780	0.22844879
4	D	$1,978,220	35,045	24,586	$1,387,831	0.70155514	10,459	$590,390	0.29844486
5	E	$ 642,604	11,384	11,384	$ 642,604	1	-	$ -	0
6	F	$ 576,729	10,217	10,217	$ 576,729	1	-	$ -	0
7	G	$ 241,419	4,752	2,352	$ 119,490	0.49494949	2,400	$121,929	0.50505051
8	H	$ 299,080	6,623	3,391	$ 153,130	0.51200362	3,232	$145,950	0.48799638
9	I	$ 399,454	14,153	7,750	$ 218,736	0.54758708	6,403	$180,718	0.45241292
10	K	$ 226,770	13,391	11,342	$ 192,072	0.84698678	2,049	$ 34,699	0.15301322
11	N	$ 433,248	8,528	-	$ -	0	8,528	$433,248	1

Total	$ 8,523,911

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

May 19, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Frankie Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Executive Director Compensation for 1998/99

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

Charter Section 3.581(h) grants the Port Commission the exclusive authority to set the compensation (salary and benefits) of the Executive Director.

In the past several years, annual changes to the compensation for the Executive Director of the Port were set the same as those for members of the Municipal Executive Association (MEA), as negotiated between MEA and the City.

Based on conversations with MEA and City staff, the MEA MOU is expected to be finalized by the end of May. However, we understand that the MOU, which affects most City managers including department heads, will include the following for fiscal year 1998/99:

- A 3% increase effective October 1, 1998
- No changes to cost or amount of fringe benefits

Should the anticipated compensation increases as noted above change, staff will make necessary changes to the budget to implement those changes.

For purposes of comparison, the average salary of the Port Directors for eight West Coast Ports is $166,544. This is 17.5% higher than the salary of the Port Executive Director, which is currently $137,521.

Prepared by: Ben Kutnick, Director of Finance & Administration

This Print Covers Calendar Item No. 8A

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-45

WHEREAS, Charter Section 3.581(h) grants the Port Commission the exclusive authority to set the compensation for the Port Executive Director; and

WHEREAS, In the past several years, annual increases to the compensation for the Port Executive Director were set the same as those of members the Municipal Executive Association (MEA), as negotiated between the City and MEA; and

WHEREAS, The MEA and the City have tentatively agreed to increase the salary of MEA members by 3% effective October 1, 1998. No changes to the cost or amount of fringe benefits is anticipated; now, therefore be it

RESOLVED, That the compensation for the Port Executive Director for fiscal year 1998/99 be increased at the same rate as that of MEA members; and, be it further

RESOLVED, That the salary for the Port Executive Director for fiscal year 1998/99 be increased by 3% effective October 1, 1998, the rate of which it is assumed will be the rate of increase for MEA; and, be it further

RESOLVED, That if there is any difference between the assumed increase for MEA, as noted above, and the final increase as negotiated between MEA and the City, the final negotiated increase will be the actual increase for the Port Executive Director.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of May 26, 1998.

_____
Secretary

SAN FRANCISCO
PORT COMMISSION

MAY 26, 1998
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. FRANKIE G. LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
MAY 26, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:19 p.m. Commissioners Denise McCarthy, Kimberly Brandon, Frankie Lee and Michael Hardeman were present.

2. APPROVAL OF MINUTES - April 28 Special & Regular Meeting
- May 12, 1998 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the April 28 special and regular meetings were adopted.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the May 12 regular meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report:

- Mr. Wong reported that an article regarding a proposal for the Central Waterfront, an area which includes a considerable amount of property within Port Commission's jurisdiction, appeared in today's *Chronicle*. The proposal put together by the San Francisco Planning and Urban Research Association (SPUR) calls for a new mixed-use neighborhood along the waterfront south of Mission Bay. Port staff has met with SPUR representatives and other City departments and will be working on this planning effort over the next year. The Commission will be apprised of the progress on this interesting proposal.

- An article regarding ESPN considering the Port of San Francisco a venue for the X-Treme Games also appeared in the *Chronicle* a few weeks ago. X-Treme Games is an ESPN event that features competition in various extreme sports such as skateboarding, stunt bike riding, in-line skate racing, sky surfing and street luging. One of the sites under consideration is Pier 30-32. Staff is working closely with the Mayor's office and other City departments in putting together a proposal for the 1999 and 2000 games. Staff is also in contact with the South Beach Citizen's Advisory Committee to address their concerns regarding events in this area.

- The 5th Annual KFOG Sky Concert will be held on Saturday, May 30 at Piers 30/32 starting from 4:00 p.m. to 9:00 p.m. KFOG's Sky Concert is a free event that KFOG stages for the Bay Area. It includes an interactive expo area, free performance by nationally known bands, and the largest fireworks show in Northern California. The fireworks are set to a KFOG soundtrack, which is broadcast over the radio, plus on loudspeaker stacks that are placed along the Embarcadero. He invited the Commissioners and the public to attend the event.

B. Commendation for Commissioner Frankie Lee. (Resolution No. 98-46)

Mr. Wong stated that Commissioner Frankie Lee has served with distinction on the San Francisco Port Commission since his appointment in 1994, including two years as its Vice President.

The Port Commission has benefited greatly from his experience as a registered professional civil engineer. The Port has also benefited from his business experience and acumen as President and CEO of SOH & Associates.

He has provided the Commission with a strong strategic direction and knowledge at a critical juncture in the Port's history that resulted in significant improvements in the Port's financial position.

The Port Commission and Port staff hereby expresses its appreciation, best wishes and sincerest gratitude to Commissioner Frankie Lee. To honor him for his invaluable, unselfish and lasting contributions to the Port of San Francisco and the waterfront community, staff recommends that he be awarded the Order of Maritime Merit, with the rank of Commander.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-46 was adopted.

Commissioner Lee stated that four years is a short and long time. He had a lot of fun serving on the Commission and it has been a great experience for him. He has learned a lot and made a lot of good friends. He will miss working with his fellow Commissioners and working with a very dedicated Port staff. He believes that the Port has the best staff among all public agencies in the City. Port staff are very dedicated, honest, professionals and always looks out for the Port's best interest. The Port has come a long way, for the better, in the last four years -- more businesslike, user-friendly and more open as far as the consultant selection process is concerned. Credit goes to the Commission and staff. He didn't say goodbye since he will be around watching the Port do its business.

Commissioner McCarthy was glad that Commissioner Lee did not say goodbye. She's sure that there will be many times that the Commission will call upon him for his expert advice. Also, she's sure that staff will continue its close relationship with him.

4. MARITIME

5. REAL ESTATE AND ASSET MANAGEMENT

A. Authorization to enter into Exclusive Right to Negotiate for the master lease and development of Pier One for maritime-related office uses. (Resolution No. 98-49)

Mr. Paul Osmundson, Director of Planning and Development, indicated that on January 21, 1998, the Port issued a Request for Interest and Qualifications (RFI&Q) to Master Lease and Develop Pier 1 for Maritime-Related Office Uses. The Port solicited submittals of interest and qualifications to master lease the entire Pier 1 and its facilities in an "as-is" condition for development, subleasing, and property management. The Port proposes to convert the Pier 1 facility into Class A office space primarily for maritime-related office uses, with support parking and ancillary complimentary commercial recreation uses. The Port also expressed its interest in relocating its administrative offices from the Ferry Building to Pier 1.

The following three firms submitted responses to the RFI&Q: AMB Property Corporation, The Martin Group and Trammel Crow Company. Port staff reviewed the submittals, including reference checks of the respondents and a review of their financial capacity. Subsequently, a selection panel reviewed the three entities and requested additional information from AMB Property Corporation and Trammel Crow Company. Port staff requested that the two companies provide additional information regarding the economic parameters of their proposal. As provided for in the RFI&Q, Port staff, based on reviewing and evaluating the information submitted in response to the RFI&Q, is to make a recommendation to the Commission regarding awarding the most qualified respondent the opportunity to enter into exclusive right to negotiate.

The responses of the two finalists (AMB and Trammell Crow) concerning the proposed development entity, funding and development concept were provided to the Commission under Exhibit A. Staff also provided the Commission a table outlining the economic proposals.

The following outlines factors considered by Port staff in its review of the responses from the two finalists.

- Experience - the Port is extremely fortunate in that both AMB and Trammell Crow are very experienced real estate firms and are strong in property management and leasing.

- Development - AMB Property Corporation, headquartered in San Francisco, would be the master tenant, development manager, property manager and guarantor. Trammell Crow, headquartered in Dallas, TX but has had a presence in San Francisco, would be the development and property manager. The master tenant and guarantor under Trammell Crow's proposal would be Multi-Employer Property Trust, advised by Kennedy Associates Real Estate Counsel, Inc.

- Funding – both proposers responded that the project would be fully funded with equity.

- Development Concept – AMB proposed a straightforward redevelopment of Pier 1, with a first floor and mezzanine containing a total of approximately 128,600 sq. ft. of gross building area, including approximately 37,200 sq. ft. for AMB's corporate offices. They proposed a public access plan that involves constructing a deck that would connect Herb Caen promenade with a continuous public access walkway along the entire pier. Trammell Crow's design concept was somewhat more complicated in that they propose first and second floor office space. Their proposal for public space did not include a deck on the south side of the Pier One connecting to the public access way but instead proposed a public space in an enclosed entry and a museum. Staff believes that there were differences in the responsiveness of the two proposals to the Port's objectives as they are stated in the RFI&Q.

- Financial Structure – Trammell Crow proposed a specific ground rental payment. AMB proposed a framework for establishing such a payment during the four-month exclusive negotiation. Trammell Crow's proposal produces more certainty as to their economic proposal upon entering into the negotiations. AMB's proposal involves a structure where AMB would receive a return on and of their equity capital based on a 50-year lease term. Any rental increases including spaces occupied by AMB will be split 50-50 with the Port.

- Port Participation in Future Rental Increases in Subtenant – Trammell Crow submitted two different structures: (1) a single guaranteed payment and (2) involved some participation for the Port in future rental increases at the property although much less than that proposed by AMB.

- Construction Cost – In Trammell Crow's proposal, the entire cost of the project during the negotiations, the impact of construction cost increases and estimate would be borne by Trammell Crow. In the AMB proposal, the construction cost estimate will be one of the subjects discussed in the negotiations to determine what the master rent to the Port would be for the pier. There is a possibility that if the estimate of cost were to increase during the negotiations it would affect the economic parameters of the master lease. However, upon the conclusion of the negotiations, both AMB's and Trammell Crow's proposals indicate that they would guarantee the Port against any increases in construction costs once the project had commence construction.

- Affect of Increased Market Rent – Under the Trammel Crow proposal, it would predominantly enter into the benefit of Trammel Crow. Under AMB's proposal, the Port would share in those increases.

- Lease Term – Trammel Crow proposed a lease term of 66 years, the maximum allowable under the Burton Act. AMB proposed a lease of 50 years.

The exclusive right to negotiate is for a 4-month period. The developer will pay

the Port a lump sum, non-refundable cash payment of $100,000 in consideration of the right to negotiate exclusively with the Port for Pier 1 during the exclusive right to negotiate period. The developer will have 4 one-month options to extend the exclusive negotiation period.

During the exclusive negotiation period, Port staff and the developer will diligently meet and negotiate in good faith and seek to complete a lease, consisting of lease documents, development agreement and other related documents, to include the economic parameters, development standards and requirements, and a performance schedule. The lease will be subject to Port Commission approval and cannot be considered until CEQA environmental review is complete.

Based on the criteria established in the RFI&Q, the Port's project objectives and the responses, staff recommends that the Commission award AMB Property Corporation the opportunity for exclusive negotiations for Pier 1. The following factors are the basis for staff's recommendation:

1. AMB's proposal for public access responds better to the Waterfront Plan's public access guidelines and to the Port's public access objective, as described in the RFI&Q.

2. AMB's proposal better responds to the Port's objectives for long-term stable occupancy as described in the RFI&Q.

3. AMB's economic proposal provides a much greater opportunity to participate in positive financial gains of the project, both during negotiations as well as over the term of the lease.

4. AMB's formula approach to setting the ground rental provides for more flexibility during the exclusive negotiation period for the Port to balance the initial ground rental against other Port goals, including the size and configuration of the Port's office space and the size and quality of public access improvements.

5. AMB requested a shorter lease term of fifty (50) years than Trammell Crow (66 years). The AMB proposal enables the Port to own the improvement sooner, an advantage to the Port.

Mr. Osmundson mentioned that the Commission received a May 26, 1998 letter from Trammell Crow regarding Pier One Redevelopment Staff Memorandum Clarifications. Staff believes that the issues raised in the letter have been adequately addressed. They covered aspects such as the financial analysis and growth factors the Port used in the assumptions. It points out that the cost overruns under the AMB proposal would be an issue that may or may not be subject to the negotiations. It points out the issue of amount of Port's office square footage. Staff believes that AMB's structure allows for more flexibility during negotiations and is an advantage to the Port.

Bert Sandell, Trammell Crow's Managing Partner, wanted to ensure that the items in his letter were covered. He believed that Mr. Osmundson reviewed them in some detail and addressed some of their concerns. He believed that Trammell Crow's proposal provides a guarantee in terms of rental income and cost overruns. While he has not seen his competitor's proposal, he felt that there is some risk. One area in particular is the analysis assume that rental growth would take place somewhere between 3% and 6%. Historically, that is not always been the case in San Francisco. He believed that Trammell Crow's proposal might be more advantageous to the Port.

Mr. Osmundson thanked Trammell Crow, AMB and other respondents for responding to the RFI&Q. The Port is extremely fortunate to have companies of their reputation and experience and interest in Port developments. There are other future development solicitations and he hoped that they would consider submitting proposals.

Commissioner Lee echoed Mr. Osmundson's comments. Both staff and the Commission have worked very hard on the RFI&Q. The Port is extremely fortunate to have two very competent, very honorable, and professional groups to do project for the Port. In his mind, both firms are winners. Both parties have done a very detailed analysis. Both programs are excellent. This was a difficult decision for the Commission to make. He hopes that the other proposer will come back and consider submitting proposals for other solicitations. He gave assurance that the Commission and staff will look very seriously at the other party for future opportunities.

Commissioner Hardeman echoed Commissioner Lee's comments. He added that this is the closest decision that the Commission has to make since his tenure at the Commission.

Mr. Osmundson indicated that in the event that staff is not able to successfully complete its negotiations with AMB, staff will return to the Commission for guidance.

Commissioner McCarthy thanked everyone for their hard work and diligence and presentations of the responses to the RFI&Q.

Commissioner Hardeman commented that it has been wonderful to work with Commissioner Lee. He is a big-hearted, kind man but a very tough businessman. With his engineering knowledge and expertise, he enjoyed working with him and sorry to see him leave.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 98-49 was adopted.

B. Adoption of Negative Declaration and approval of sublease with Crushcon, Inc. for a 152,460 square feet of space for use as a demolition concrete crushing and

recycling facility on a portion of the Western Pacific Site, located adjacent to Pier 80 in an area bounded by Pier 80, Cesar Chavez Street, Illinois Street and 25th Street. (Resolution No. 98-35)

Mr. Paul Osmundson, Director of Planning and Development, indicated that the Port and Catellus Corporation are parties to the Port Land Transfer Agreement under which the Port agreed to transfer certain properties in Mission Bay to Catellus in exchange for, among other things, the Western Pacific site. Although the original Mission Bay Agreement was terminated, the land transfer remains in effect. In the interim, prior to the Port's receiving fee simple title to the Western Pacific site, the Port has leased the property from Catellus. The term of the lease is seven years, at a total rental of $7.00 payable in annual installment of $1.00 per year. In addition, the Port pays all property taxes, assessments and utilities related to the property.

Crushcon, Inc. has proposed to sublease 152,460 square feet of the Western Pacific site for the purpose of demolition concrete crushing storage and distribution facility. Crushcon has applied for and received all environmental clearances from the City's Planning Department Office of Environmental Review (OER). OER has issued a Negative Declaration for the project on February 1998, finding that the project would not have a significant effect on the environment.

Port staff has negotiated the terms and conditions of a proposed sublease. Port Commission policy requires that the Port Commission approve any lease providing for use which is a change of "like-kind" use to the existing or prior use of the facility.

The fundamental business terms are as follows:

- Premises: 152,460 square feet of land.
- Term: one year commencing June 1, 1998 and terminating on May 31, 1999. The term may be extended by one year subject to the formal approval of the Port Commission, not to be unreasonably withheld. Reasonable grounds for withholding consent include significant adverse environmental impacts or tenant's failure to comply with the material lease term and conditions and provided that the tenant is in full compliance of the environmental and MBE/WBE provisions of the Lease.
- Use: Receiving, crushing, storage and distribution of demolition concrete and other administrative activities related thereto.
- Base Rent: $25,156 per calendar month or $301,872 per year.
- Rent Credits: None
- Removal Bond: Crushcon shall deliver to the Port a performance bond in the initial amount of Five Hundred Thousand Dollars ($500,00) to secure its obligation to remove all materials stored on the premises.
- Negative Declaration: attached to the staff's report to the Commission.
- MBE/WBE/LBE goals: the lease requires the tenant to meet certain goals regarding the hiring of minority, woman and locally owned businesses.
- Hazardous Materials: Tenant is not permitted to handle contaminated soils without first receiving written approval from the Port. The Port cannot

unreasonably withhold it as long as they are in strict compliance with all environmental laws.

Mr. Osmundson mentioned that staff has reviewed the Waterfront Plan EIR with respect to mitigations for this type of activity and attached to the lease mitigations that are identified in the Waterfront EIR.

Gerald Taylor, Owner Bayview Sand, indicated that this proposition is not the first time that it was presented to the Port. A study was done over a year and a half ago wherein an RFP was generated. He requested that the study should remain as is and if the RFP changes, it will have a devastating effect in the construction industry. The RFP was designed to be a fair and equitable way of doing business in San Francisco. The study was very thorough and complete and it needs to remain as such.

Charlie Walker indicated that enough has been said on this project. This project will not hamper any ongoing construction work but would be helpful in moving things along. He appreciated the time and effort put forth by staff and the Commission. He mentioned that it was also a pleasure arguing with Commissioner Lee.

Ben Robinson, representing the St. James Baptist Church in the Bayview District, indicated the support they've received from a few companies in the district such as Bode Gravel, Bedrock and RMC Lonestar. Those companies supported the church and the minority community for many years. He asked the Commission to support that community.

Frank Widener, McCoy's Patrol Service, indicated that they are locally owned business located in the Bayview Hunter's Point area. They are against the Los Angeles company moving into their community when they have small companies that will help them in the redevelopment of the Bayview Hunter's point area. They believe it would be better for the community to support themselves instead of bringing the company from L.A.

Matthew Sutton, general manager of Dames and Moore in Northern California, spoke on behalf of Steve Aman, president of Aman Construction. Dames & Moore is the oldest environmental engineering firm in San Francisco, in business since 1957. Dames & Moore owns Aman, which is a wholly owned construction entity. Aman is 51% owner in the Crushcon project. He indicated that this particular lease is arguably the highest and improved lease that the Port has entered into for some time. It is a financially strong package. With Dames and Moore as the parent company, this particular lease represents one of the strongest environmental leases that the Port has entered into. The lease has a 30% diversity woman-owned, minority business interest. Dames & Moore employs over 600 people in Northern California. This particular project not only satisfies the mission of the Port and the City but it provides employment to the community as well.

Commissioner Hardeman commented that notwithstanding the last vote, this is another difficult item to vote on. He agreed with Mr. Walker's analysis that there is no intention to eliminate work but rather to create work. He hope that wages would be comparable for all truckers and other workers.

Commissioner Brandon encouraged Crushcon to work with the local companies and the local community and to stick to their commitment.

Commissioner McCarthy stated that the Commission has wrenched over this issue for quite some time. They tried to support the community (such as the Bayview Co-op Truckers) by limiting this lease to one year. This gives the Commission a certain amount of control over how Crushcon operates. The Commission will be relying on the truckers, including the environmental community in the Bayview Hunter's Point area, to apprise the Commission and help them monitor the project to ensure that everyone is treated fairly. There will also be another crushing lease in the near future and they will be given exactly the same terms. She wanted to ensure that the community understands that the Commission tried very hard to make this fair and equitable to everyone involved. She hoped that this would not come out the way the group had anticipated. She hoped that they will have plenty of work and will not be undercut. She asked the group to keep the Commission informed to ensure that this happens. Conversely, she asked Crushcon to do the same, as there is no reason to believe that they won't run an upstanding operation.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 98-35 was adopted.

6. FACILITIES & OPERATIONS

A. Approval of First Amendment, authorizing additional design services with Concept Marine Associates under the "Hyde Street Harbor Facility" professional services contract. (Resolution No. 98-47)

Mr. Alex Lee, Director of Facilities and Operations, thanked Commissioner Lee for all his expert advice throughout the years. Mr. Lee indicated that the Hyde Street Harbor project is progressing well. This item is to request to modify the contract with Concept Marine in the amount of $93,190. During the conceptual design phase, staff received substantial input from the Fisherman's Wharf community. The $93,190 will be used for the architectural, mechanical, electrical and structural engineering design of a new restroom facility, a new layout for the parking area, a redesigned fuel pumping station and for signage. Staff hopes to complete the design by October and award the construction in December and the commencement of construction activity by March 1999.

Commissioner Hardeman commented that staff has worked so hard on this project. It is a remarkable feat to come this far despite the many obstacles encountered. Mr. Lee thanked Dan Hodapp and Roberta Jones for their efforts on this project. Commissioner McCarthy asked if this is the last modification to the contract. Mr.

Lee replied that he believed it is since there is adequate fee to complete the redesign of the project. Staff has received enough input from other groups as well as the BCDC Design Group.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-47 was adopted.

B. Approval of Modification No. 1 to Construction Contract No. 2650, "Pier 24/24-½ Annex Emergency Partial Structural Repair" with Biller-McCoy, Inc. (Resolution No. 98-48)

Mr. Alex Lee, Director of Facilities & Operations, indicated that the Commission approved an emergency contract to remove a portion of Pier 24 and the annex building and put in a new wall at Pier 24-½. Because of the emergency nature of the work, the scope of the work was not determined at that time. When the job was about 90% complete, staff found that approximately 800 square feet of additional decking at Pier 24 needs to be built. By removing the decking, staff had to relocate a waterline that services the firehouse necessitating the additional funds, bringing the total of the contract to $285,648.30. The work has been completed and therefore, staff will not be back to the Commission for additional funds.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-48 was adopted.

7. PLANNING & DEVELOPMENT

A. Approval of a Memorandum of Understanding between the Port and various City Departments concerning the Waterfront Transportation Projects. (Resolution No. 98-50)

Mr. Dan Hodapp, Port Planner, indicated that in February 1991, the Port entered into a Memorandum of Understanding (MOU) with the Public Utilities Commission (PUC), the Chief Administrative Officer (CAO), the Department of Public Works (DPW), the Planning Department, and the Department of Parking and Traffic (DPT) to construct the Waterfront Transportation Projects. The results of this agreement can be seen on the constructed portions of the Embarcadero roadway, the new F-line and a variety of other transit improvements along the waterfront.

The City will now complete the Mid-Embarcadero roadway, the Ferry Building plaza and other associated transit improvements beginning in approximately two months. To do so, an MOU must be entered into by and between the Port, the DPW, DPT, PUC, Art Commission and Public Transportation Commission. The parties intend that this MOU replace the 1991 Waterfront Transportation Projects MOU. This new MOU sets forth the essential rights, understandings, and agreements of the various City departments as they relate to the design, construction and maintenance of the Waterfront Transportation Projects.

The revised MOU defines project responsibilities that include which City department will be responsible for construction, how regulatory approvals are handled, project coordination, required continued adherence to design continuity, changes made to the roadway, the maintenance of the roadway, the promenade and the plaza in front of the Ferry Building, tenant relocation requirements and the use of Port property for a Muni ferry bus terminal. The MOU also addresses payment to the Port for acquisition of real property rights.

Commissioner McCarthy reiterated that maintenance of the roadway will be handled by DPW. The Port will pay the energy and maintenance costs of the Ferry Plaza's power supply and lighting and the energy costs for lights in the promenade. Mr. Hodapp replied to the affirmative.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-50 was adopted.

B. Approval of compensation for Port property to be used for the Mid-Embarcadero Roadway Project. (Resolution No. 98-51)

Mr. Paul Osmundson, Director of Planning and Development, indicated that he has been working on this project for 9-½ years. As Mr. Hodapp mentioned the original MOU covers the entirety of the Waterfront Transportation Projects. The Port withheld its approval of the Mid-Embarcadero Roadway project segment of the project subject to urban design review and approval of the roadway and the plaza and the consideration of a parking garage to replace the loss of surface parking spaces and Port revenues resulting from the project. The project will cause displacement of 339 surface parking spaces in the Embarcadero right-of-way.

In July 1996, the Port Commission preliminary endorsed the inclusion of a 350-space underground parking garage as part of the Mid-Embarcadero Roadway Project. The garage was proposed to be constructed underground on an adjacent parcel of City-owned property known as Block 202, which is bounded by the Embarcadero, Drumm, Washington and Clay Streets. At that time, the Commission requested staff to diligently pursue full funding for the roadway project and the parking garage.

In October 1996, the Port Commission adopted CEQA findings for the project and approved the roadway alignment. In November 1996, the Port Commission approved design parameters for the project. In August 1997, the Commission approved the final design of the project. As part of each of the approvals, the Port Commission withheld final approval of the project until the MOU had been negotiated and resolution of the parking replacement issue.

There are federal relocation and real estate rules that provide for either the functional replacement of real property in public ownership. Under these regulations, federal funds can be used to pay for either the replacement of a facility

acquired as a result of a federal project or to compensate the public agency whose property would be used for the project if the Federal Highway Administration determines that functional replacement is in the public's best interest. In the case of compensation, the Port is compensated based on the fair market value of the property needed for the project.

There are a number of complicating factors regarding the underground parking garage option related to project funding and cost, scheduling and the relationship of the parking to the Ferry Building.

The Port and DPW have prepared preliminary cost estimates for the underground garage that range from $17 million to $23 million. Although the parking garage is eligible for federal funding, only a portion of the cost would be funded from project funds and the remaining portion would need to be funded locally by the City and the Port.

As a condition of the approval of the Mid-Embarcadero Roadway Project, the Board of Supervisors required that construction of a parking garage on Block 202 could not begin until the Port had executed a contract with a developer for a major renovation of the Ferry Building. The Ferry Building RFP has just been released and a contract with a developer will not be executed for more than a year.

The schedule of the Mid-Embarcadero Roadway Project calls for a notice to proceed to be issued to the contractor in June 1998. DPW and the City cannot award that contract until Caltrans has given them a right-of-way clearance and Caltrans will not give the right-of-way clearance until the Port decides to build the garage or take the money.

There is also some uncertainty regarding whether the Ferry Building project needs the 350 parking space garage to succeed. Until a developer is selected and a specific proposal is identified, the answer to that question is uncertain. The parking garage could still be pursued once a developer for the Ferry Building has been selected and a contract has been executed. The funding and construction responsibility for the garage would be determined at that time.

Attached in the staff report is the offer to acquire parcels for the Mid-Embarcadero Roadway Project. Based on appraisals prepared by independent panel appraisers, the value of the parcels is $8,524,000. Additionally, a parcel near Folsom Street would be needed for construction laydown and would be rented from the Port for a period of up to 24 months for $26,250 per month.

In light of the funding questions associated with the garage, the scheduling of the roadway and Ferry Building projects and the uncertainty regarding the amount and location of parking needed for the Ferry Building, Port staff recommends that the Commission accept the offer of $8,524,000 as the fair market value of the parking areas needed for the project. The Port would grant the City non-exclusive surface and sub-surface property rights for the purposes of constructing, maintaining and operating roadway and light rail facilities.

Per Commissioner McCarthy, Mr. Osmundson indicated that another "resolved" clause be added at the end to the resolution to read... "and be it further resolved that the funds received by the Port are not restricted to any particular use but may be utilized for any purpose the Commission desires, consistent with the Burton Act."

Mr. Osmundson indicated that the Port is an enterprise department and parking is an important revenue source for the Port. The Port is indeed fortunate that Barbara Moy and their predecessors worked with Port staff in finding this funding source to compensate the Port for the loss of parking.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-51 was adopted.

8. FINANCE & ADMINISTRATION

A. Approval of the Executive Director's Compensation for 1998/1999 Fiscal Year. (Resolution No. 98-45)

Mr. Ben Kutnick, Director of Finance and Administration, indicated that the Port Commission has the exclusive authority to set the Executive Director's compensation. In the past several years, changes to the compensation for the executive director are set the same as the Municipal Executive Association (MEA) members. The MEA MOU is expected to be finalized soon. The basic terms of the MOU include a 3% increase over the next three years, effective October 1, 1998. There are no significant changes to the fringe benefit package.

The average salary of Port Directors for eight West Coast Ports is $166,544, 17.5% higher than our Port's Executive Director, which is currently at $137,521. With this 3% increase, the Executive Director's salary would be $141,646.

Commissioner Lee asked about the Mayor's salary. Mr. Kutnick replied that it is currently at $142,610.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-45 was adopted.

There being no public comment or new business, the meeting was adjourned at 5:29 p.m.

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REGULAR MEETING
4:00 P.M., TUESDAY, JUNE 9, 1998
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SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - May 26, 1998 Special & Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Request for funding from the Metropolitan Transportation Commission's Five Percent Reserve Bridge Toll Revenues for construction of the Downtown Ferry Terminal and the Pacific Bell Ballpark Ferry Terminal. (Resolution No. 98-54)

4. **MARITIME**

5. **REAL ESTATE AND ASSET MANAGEMENT**

6. **FACILITIES & OPERATIONS**

   A. Authorization to advertise for dredging at Pier 35 East. (Resolution No. 98-55)

7. **PLANNING & DEVELOPMENT**

   A. Approval of a Cooperative Agreement between the Port of San Francisco and the City of Vallejo concerning the development of a public ferry terminal at Pier 43. (Resolution No. 98-52)

   B. Amendment to Pier 52 Public Boat Launch Cal Boating Grant Agreement. (Resolution No. 98-53)

8. **FINANCE & ADMINISTRATION**

9. **CONSENT CALENDAR**

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development

An executive session has been calendared to discuss with the real property negotiator responses to the Ferry Building RFP.

b. Property: Port property located at Pier 90/92
Person Negotiating:
Port of San Francisco: Mark Lozovoy, Senior Property Manager

An executive session has been calendared to discuss with the real property negotiator status of plans for redevelopment at Pier 90/92.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case)

- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART station is Embarcadero Station located at Market and Steuart Streets. The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142. There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting. Please contact Kevin Jensen at (415) 274-0555. Late requests will be honored if possible.

- American Sign Language Interpreters
- A Sound Enhancement System
- Large Print of the Agenda
- The use of a reader during the meeting
- Minutes of the Meeting in Alternative Formats

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 - 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

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MEMORANDUM

June 3, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for funding from the Metropolitan Transportation Commission's Five Percent Reserve Bridge Toll Revenues for construction of the Downtown Ferry Terminal and the Pacific Bell Ballpark Ferry Terminal.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO APPLY TO THE METROPOLITAN TRANSPORTATION COMMISSION FOR FIVE PERCENT RESERVE BRIDGE TOLL FUNDS FOR ASSISTANCE IN CONSTRUCTION OF THE DOWNTOWN FERRY TERMINAL AND PACIFIC BELL BALLPARK FERRY TERMINAL.

Regional Measure 1 approved by the voters in 1989 created a Three Percent Reserve Fund, from Bridge Toll revenues, to be allocated by MTC. These revenues are to be used for planning, operating and capital projects, that are designed to reduce vehicular trips on the Bay Bridge. Examples of projects that have been funded from the Three Percent Fund are the Bay Trail Project, the City of Alameda's Alameda/Oakland Ferry Service and the City of Vallejo's BART Link Bus Operations.

In 1997, SB 226, which was signed by the Governor, designed that an additional 2% of Regional Measure 1 Funds from Bridge Toll Revenues were to be provided specifically for the planning, construction, operation and acquisition of rapid water transit systems. MTC has issued a solicitation for applications from eligible agencies for projects that will meet the criteria established in the legislation. It is estimated that MTC will be allocating 2.3 million from this fund, of which 40% must be used for water transit related services, pursuant to SB 226.

Port Resolution No. 97-47 authorized work on the construction of a new Downtown Ferry Terminal. Construction on this project is soon to commence. If we are successful in obtaining funds from this program, these funds will be used to help enhance the project. In particular the enhancements will include providing covered walkways from the eastside

of the Ferry Building, and for the construction of a South Ferry Terminal gangway canopy. In addition to the Downtown Ferry Terminal Project, the Port Commission adopted Resolution 97-61 authorizing staff to issue a request for proposals to select an operator to finance, build and operate a ferry landing at China Basin. At the time that this item was presented to the Port Commission, staff indicated that we would attempt to identify and secure public sources of funding for a ferry terminal. The Regional Measure 1 Bridge Toll Revenues have been identified as a possible source of public funding for a ferry landing terminal.

It is anticipated that the total application of funds will be for $1.1 million of which $600,000 would be for the Downtown Ferry Terminal and $500,000 for the China Basin Ferry Landing.

Prepared by: Larry Florin, Executive Staff

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-54

WHEREAS, The MTC, through Regional Measure 1, has issued a solicitation for grant proposals to fund projects that will meet their criteria for the planning, construction, operation and acquisition of rapid water transit systems; and

WHEREAS, The Port Commission has, through previous action, authorized the construction of a downtown ferry terminal; and

WHEREAS, The Port Commission has authorized the staff to prepare an RFP for purposes of identifying an operator to finance, build and operate a ferry landing facility at China Basin; now therefore be it

RESOLVED, That the Port Commission hereby authorize staff to apply to the Metropolitan Transportation Commission for funds under the Regional Measure 1 5% Reserve Bridge Toll project to assist with the construction of both the Downtown Ferry Terminal and China Basin Ferry Landing projects.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 9, 1998.

_____
Secretary

I:\Commission\Bridge Toll

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MEMORANDUM

June 4, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to advertise for competitive bids for the maintenance dredging at Pier 35 East.

DIRECTOR'S RECOMMENDATION: APPROVE THE REQUEST TO ADVERTISE FOR COMPETITIVE BIDS FOR MAINTENANCE DREDGING AT PIER 35 EAST.

The Port requires maintenance dredging at the Pier 35 Cruise Terminal east berth. The maintenance dredging work includes contractor mobilization and demobilization, surveying, dredging, and dredge spoils and debris disposal.

It is anticipated that all of the dredge spoils material will be suitable for in-bay disposal and will not require costly upland disposal to special landfills. The cost estimate for this dredging is $300,000.00. This cost estimate does not include disposal of dredge soils unsuitable for in-bay disposal.

Prepared by: Ed Byrne, Senior Civil Engineer, SE

THIS PRINT COVERS CALENDAR ITEM NO. 6A

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-55

WHEREAS, the Port requires maintenance dredging at the Pier 35 Cruise Terminal east berth; and

WHEREAS, maintenance dredging work includes contractor mobilization and demobilization, surveying, dredging and dredge spoils and debris disposal; and

WHEREAS, it is anticipated that all of the dredge spoils materials will be suitable for in-bay disposal and will not require costly upland disposal to special landfills; and

WHEREAS, the cost estimate for this dredging is $300,000.00, which does not include disposal of dredge spoils unsuitable for in-bay disposal; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for competitive bids for the maintenance dredging at Pier 35 Cruise Terminal east berth.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 9, 1998.

_____
Secretary

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MEMORANDUM

June 3, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of a Cooperative Agreement between the Port of San Francisco and the City of Vallejo concerning the development of a public ferry terminal at Pier 43.

DIRECTOR'S RECOMMENDATION: APPROVE THE ATTACHED RESOLUTION

Background

In 1995, the City of Vallejo applied for and was awarded $1.6 million of Section 1064 Ferry Boat Discretionary funds from the Federal Highway Administration (FHWA) to build a ferry terminal facility at Pier 43 in San Francisco. The purpose of the grant was to design and construct a ferry terminal in the busy Fisherman's Wharf area to accommodate Vallejo's growing ferry service. The City of Vallejo subsequently applied for and was awarded $400,000 in matching funds from the California Transportation Commission (CTC) from the 1991 Proposition 116 Clean Air and Transportation Act, for a total of $2.0 million in funding. In August, 1996 state and federal environmental review was completed for the project, as well as right of way clearance, which were requirements for the acceptance of the grant funds.

The City of Vallejo's ferry program is one of the most successful on San Francisco Bay. Funded primarily by Proposition 116 (which is also the source of a significant amount of funding for the Port's Downtown Ferry Terminal Project adjacent to the Ferry Building), Vallejo has a fleet of two high speed catamarans and a third conventional vessel providing service between Vallejo, downtown San Francisco and Pier 39.

This Print Covers Calendar Item No. 7A

The public ferry terminal at Pier 43 that would be constructed with these grant funds will provide the only publicly accessible ferry terminal facility in the Fisherman's Wharf / Pier 39 area (all others are under the control of private lessees). This project will not only provide Vallejo with its own landing facility in a prime location in Fisherman's Wharf, but will also allow the Port to serve other ferry operators who wish to serve the Fisherman's Wharf area but cannot gain access to a landing facility.

The Port of San Francisco and the City of Vallejo have negotiated a Cooperative Agreement (the "Agreement") through which the ferry terminal would be designed and constructed by the City of Vallejo and turned over the Port of San Francisco to manage and operate. The City of Vallejo would be permitted to land ferries at the dock at no charge for a period of time sufficient to recapture the investment of funds in the terminal, based on the landing fees that would be charged at the terminal. The details of Vallejo's rights, the fees to be charged, scheduling and other issues would be more specifically addressed in a "Landing Rights Agreement" which would be separately drafted by the Port.

Under the Agreement, Vallejo has the responsibility to provide for the design and construction of the project, including the hiring of an engineering team to prepare detailed bid plans and specifications, the bidding and management of the construction of the terminal pursuant to state and Federal grant requirements, and other matters related thereto.

The Port has design review and approval of the facility, and would inspect the construction as it proceeds. The Port would also be responsible for securing all regulatory approvals for the project, which will consist of BCDC, Army Corps of Engineers and Regional Water Quality Control Board permits. At the completion of the construction, the Port would assume the ownership of the terminal facility and would be responsible for the maintenance and operation of the facility.

The agreement provides for a joint indemnification of the Port by Vallejo, and vice versa. The Port's indemnity of Vallejo must be approved by the Board of Supervisors.

Staff Recommendation

Port staff recommends that the Commission approve the resolution, which authorizes the Executive Director to execute the agreement substantially in the form attached.

Prepared by: Paul Osmundson
Director of Planning & Development

CITY AND COUNTY OF SAN FRANCISCO
PORT COMMISSION

RESOLUTION NO. 98-52

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, The City of Vallejo has secured $1.6 million in funding from the Federal Highway Administration and $400,000 from the California Transportation Commission for the construction of a public ferry terminal at Pier 43 in San Francisco; and

WHEREAS, The City of Vallejo has proposed that, once the terminal is designed and constructed to Vallejo's and the Port's satisfaction, upon completion of the terminal the Port of San Francisco would take over the ownership, maintenance and operation of the terminal; and

WHEREAS, The City of Vallejo and Port staff have negotiated a "Cooperative Agreement" that outlines the roles and responsibilities of each party in the design, construction and management of the public ferry terminal at Pier 43, a copy of which is attached to this resolution, which Agreement includes a mutual indemnification provision; and

WHEREAS, The Cooperative Agreement provides for the creation of a "Landing Rights Agreement" specifically establishing landing fees, schedules and other operational and management procedures for the terminal, which agreement shall be brought back to the Port Commission for its approval; now, therefore, be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director to forward the Cooperative Agreement to the Board of Supervisors for approval of the indemnification provision, and to thereafter execute the "Cooperative Agreement between the City of Vallejo and the Port of Francisco" to provide for the design, construction and operation of a new public ferry terminal at Pier 43, in substantially the form attached hereto, with such non-material changes as may be approved by the Executive Director in consultation with the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 9, 1998.

_____
Secretary

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DRAFT

COOPERATIVE AGREEMENT FOR CONSTRUCTION OF AN ADA ACCESSIBLE LANDING FACILITY AT PORT OF SAN FRANCISCO PIER 43

This Cooperative Agreement ("Agreement") is entered into as of this ___ day of _____, 1998, by and between the **City of Vallejo ("Vallejo")**, a municipal corporation, and the **City and County of San Francisco, a municipal corporation, by and through its Port Commission ("Port").**

Port and Vallejo enter into this Agreement based upon the following facts, intentions and understandings:

R E C I T A L S

Whereas, the Fisherman's Wharf area of San Francisco is an important San Francisco origin and destination for commuters, tourists and recreational riders using waterborne transportation; and

Whereas, ferry and other waterborne activities are increasing on the San Francisco Bay; and

Whereas, existing docking facilities in the Fisherman's Wharf area are privately leased, do not accommodate a wide range of ferryboats and other vessels, and do not meet Americans with Disability Act (ADA) mandates for accessibility; and

Whereas, the City of Vallejo applied for and received Federal Highway Administration (FHWA) Ferryboat Discretionary Funds in the amount of $1,600,000, and $400,000 in California Transportation Commission (CTC) Proposition 116 funds, to be used for dock improvements at Pier 43 in Fisherman's Wharf, including provide an ADA accessible landing facility which will include landside improvements and amenities, a float with ramps to accommodate wide range of ferryboats and excursion vessels operating on the San Francisco Bay (collectively, the "Project"); and

Whereas, the Port of San Francisco under the Burton Act has jurisdiction to manage the waterfront "in trust" for the State of California; and

Whereas, the City of Vallejo and the Port of San Francisco have identified Pier 43 in the Fisherman's Wharf area as a viable location to place such a landing facility and agree that this is an important project for the support of ferry service on the San Francisco Bay; now, therefore, the Port and Vallejo agree as follows:

A G R E E M E N T

1. TERM.

This Agreement shall commence on the _____ day of _____ and expire on the earlier of _____, 1998, or the completion of the Project at Pier 43. The expiration date may be extended by the parties upon mutual agreement. Construction of the Project is

to be considered complete when the performance bonds are returned for the landside passenger queuing area and the floating barge and ramps are in place at the Pier 43 location and the Port, by written acknowledgment of its Chief Harbor Engineer, has formally accepted the Project.

2. RESPONSIBILITIES OF VALLEJO.

Vallejo will secure funding for the project from sources including FHWA and Proposition 116 funds. Vallejo agrees that these funds shall provide an ADA accessible landing facility for placement at the Port of San Francisco Pier 43. The ADA accessible landing facility will include a floating barge with ramps and landside terminal improvements including passenger queuing area and passenger amenities such as decking, signage, gates, utilities, and safety features, etc., to accommodate the Vallejo ferryboats and all other known ferry and excursion vessels operating on San Francisco Bay. Vallejo will also provide preliminary and final engineering and design, including, without limitation, preparation of final plans and specifications for review by the Port, construction management and oversight, and assistance from the Vallejo design team in securing regulatory approvals.

3. RESPONSIBILITIES OF THE PORT OF SAN FRANCISCO.

The Port will make available to Vallejo the water area immediately adjacent to Pier 43, as shown in Exhibit One attached hereto, for the installation of a floating dock and ramps as described in Section 2 above. The Port of San Francisco will conduct design review, document review and approval, and building inspection for the project. The Port of San Francisco agrees that grant administration and drawdown of funds and payment to the contractor will be carried out by Vallejo as required by the funding agencies (i.e. FHWA and CTC).

4. MANAGEMENT AND OPERATION OF PUBLIC FERRY DOCK.

Following the completion of construction of the project, the Port will assume ownership of all improvements as Port property and will provide management of the facility and collect and retain all landing fees for ongoing operating and maintenance costs generated by the facility. Policies establishing landing fees and landing rights for any and all boat operators, including, without limitation, ferry service, water taxi, recreation and excursion boat operators operating on San Francisco Bay and requesting landing rights at the Fisherman's Wharf Pier 43 facility will be determined by the Port of San Francisco at its sole discretion. The parties acknowledge that the landing fees and related policies applicable to the Pier 43 facility will be in substantial parity with the policies and landing fees applicable to other facilities in Fisherman's Wharf, including Pier 43 ½ , Pier 39, and Pier 41 ½.

City of Vallejo shall be subject to the Port's policies regarding landing rights and landing fees, which arrangements will be embodied in the Landing Agreement between Vallejo and the Port in a form substantially similar to the Port's standard landing agreement. Notwithstanding the foregoing, in acknowledgement of the City of

Vallejo's contribution toward cost of the Project, the Port shall grant to Vallejo a credit against landing, maintenance, and other related fees due for Vallejo's use of Pier 43, in the total amount of the grant funding provided to the Port by and through Vallejo. The credit will be applied against all landing, maintenance, and related fees incurred by Vallejo until such time as the total credit equals the total amount of the grant funding. In addition, Port shall grant Vallejo first preference in choosing landing times at Pier 43 for a period of twenty (20) years from the completion of the Project.

5. PROJECT FUNDING AND BUDGET.

The Port of San Francisco and Vallejo acknowledges that the implementation of the project is dependent on the ability of the project to stay within a budget of $2,000,000, for the landside improvements and floating barge. Vallejo agrees to pursue the approval of these funds and any additional funds that may be necessary in a timely manner. Any cost overruns must be funded by sources other than the Port of San Francisco.

6. INDEMNIFICATION, CITY OF VALLEJO.

The Port of San Francisco shall indemnify and hold harmless the City of Vallejo, its officers, officials, directors, employees, agents and volunteers from and against all claims, damages, losses and expenses including attorneys fees arising out of the construction and implementation of the Project described herein, caused in whole or in part by any negligent act or omission of the Port of San Francisco, any contractor or subcontractor, anyone directly or indirectly employed by any of them for whose acts any of them may be liable, except where caused by the active negligence, sole negligence or willful misconduct of the City of Vallejo.

7. INDEMNIFICATION, PORT OF SAN FRANCISCO.

The City of Vallejo shall indemnify and hold harmless the Port of San Francisco, its officers, officials, directors, employees, agents and volunteers from and against all claims, damages, losses and expenses including attorneys fees arising out of the construction and implementation of the Project described herein, caused in whole or in part by any negligent act or omission of the City of Vallejo, any contractor or subcontractor, anyone directly or indirectly employed by any of them for whose acts any of them may be liable, except where caused by the active negligence, sole negligence or willful misconduct of the Port of San Francisco.

In Witness Whereof, Port and Vallejo enter into this Agreement as of the date set forth above.

CITY OF VALLEJO PORT OF SAN FRANCISCO

By:
Its: City Manager

By: Douglas F. Wong
Its: Executive Director

Port Commission Resolution No. __

Board of Supervisors Resolution No. _ _

Approved as to Form

City Attorney

Approved as to Form

City Attorney

PORT OF SAN FRANCISCO

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MEMORANDUM

June 3, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Amendment to Pier 52 Public Boat Launch Cal Boating Grant Agreement

DIRECTOR'S RECOMMENDATION: AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT

In 1994, the Port Commission approved $1.4 million in capital funding for a major expansion of the existing public boat launch near Pier 52, along Terry Francois Boulevard. The Port Commission also accepted responsibility from the San Francisco Recreation and Parks Department to manage a $295,000 grant from the Department of Boating and Waterways ("Cal Boating") to construct the launch (Port Commission Resolution No. 95-7). Under that resolution, the Port Executive Director was authorized to execute the original Cal Boating Grant Agreement (Contract No. 93-101-229).

There have since been two amendments to the Contract Agreement to allow an extension of time to complete the project. The Port Commission authorized the Executive Director to execute the amendments by separate resolutions.

On May 28, 1998, Port staff requested and the Cal Boating Commission approved a second grant for $198,000 to construct an off-site parking lot for 40 boat trailers and 6 standard vehicles to serve that boat launch. Contract No. 93-101-229 will now be amended a *third* time to reference the new parking lot grant. The Port Commission must authorize the Executive Director to execute this Third Amendment to the Cal Boating Contract Agreement.

To expedite any possible subsequent amendments, staff recommends that the Commission resolution authorize the Executive Director to execute any subsequent amendments that include time extensions or minor revisions to the project.

Prepared by: Paul Osmundson
Director of Planning and Development

THIS PRINT COVERS CALENDAR ITEM NO. 7B

CITY AND COUNTY OF SAN FRANCISCO
PORT COMMISSION

RESOLUTION NO. 98-53

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, the Port Commission formally accepted responsibility from the San Francisco Recreation and Parks Department for managing a $295,000 grant from the California Department of Boating and Waterways ("Cal Boating") for improvements at Pier 52 under Port Commission Resolution No. 95-7; and

WHEREAS, on August 12, 1994, the Port Executive Director executed Cal Boating Grant Contract Agreement No. 93-101-229; and

WHEREAS, the grant contract agreement with Cal Boating will expire on May 1, 2000; and

WHEREAS, on May 28, 1998, Cal Boating approved a second grant in the amount of $198,000 to construct an off-site parking lot for 40 boat trailers and 6 standard vehicles; and

WHEREAS, a Final Negative Declaration, 95.134E, for the project was adopted and issued on September 12, 1995 and no supplemental environmental review has been required by the San Francisco Planning Department due to project revisions; now, therefore, be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director or his designee to execute an amendment to Grant Contract Agreement No. 93-101-229 to include the $198,000 grant to construct an off-site parking lot for the boat launch; and, be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director or his designee to execute any subsequent amendments to Grant Contract Agreement No. 93-101-229 that include time extensions or minor revisions to the boat launch development plan, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 9, 1998.

_____
Secretary

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SAN FRANCISCO
PORT COMMISSION

JUNE 9, 1998
MINUTES OF THE MEETING

DOCUMENTS DEPT.

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JUNE 9, 1998

1. **ROLL CALL**

The meeting was called to order by Commission President Denise McCarthy at 4:05 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon and Michael Hardeman.

2. **APPROVAL OF MINUTES** - May 26, 1998 Special & Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the special meeting were adopted.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the regular meeting were adopted.

3. **EXECUTIVE**

A. Executive Director's Report: Mr. Wong reported the following:

- Columbus Line and P&O Nedlloyd/Blue Star Line
  The Port of San Francisco yesterday, landed two new shipping lines for Pier 80. Two steamship lines, whose business represents a near doubling of the cargo shipping business to the Port of San Francisco, have signed a letter of intent to make San Francisco their Northern California port of call commencing June 25, 1998 with the arrival of the Columbus Victoria at Pier 80.

  Columbus Line and P&O Nedlloyd/Blue Star Line will sail weekly to and from Pier 80 as an enhancement to their U.S. West Coast Australia/New Zealand service. These lines, representing 92 sailings a year from San Francisco, will mean a near doubling of the amount of cargo crossing the Port's docks and a shot in the arm to the City's maritime industries. This announcement is also a boon to Northern California as the lines currently do not have ships calling the Bay Area for this service, instead their ships call Los Angeles and cargo is trucked to and from Northern California. Columbus Line is part of Hamburg-Sud Shipping Group and Blue Star is a service of P&O Nedlloyd.

Mr. Wong thanked Peter Dailey and his staff for their efforts in obtaining this deal. The Mayor was apprised of this newsworthy event and asked the Executive Director to express his appreciation to Port staff for their hard work.

Commissioner McCarthy also thanked staff and noted that Commissioner Herman would have been pleased with this news.

- Award of Grant for the Hyde Street Harbor
  Last week, the Hyde Street Harbor project was awarded an $86,500 grant from the California Department of Boating and Waterways. The grant will cover all sewage pump-out costs in the project including a pump-out boat, a pump-out station at the fuel dock and engineering design services.

  This funding will help offset the Port's capital investment in the project, which is a welcome addition in the current bidding climate. Mr. Wong thanked Paul Osmundson and his staff and Veronica Sanchez for their hard work and efforts.

- KFOG's Sky Concert held on May 30th at Pier 30/32
  This is a free event that KFOG stages for the Bay Area which included an interactive expo area, free performance by nationally known bands, and the largest fireworks show in Northern California. The fireworks are set to a KFOG soundtrack, which is broadcast over the radio, plus on loudspeaker stacks that are placed along the Embarcadero. The event was a big success.

- Old Harbor Festival held on June 6 & 7 at Fisherman's Wharf, Victorian Park and Hyde Street Harbor in conjunction with the Cannery, Anchorage, Fisherman's Wharf Merchants Association and Ghirardelli Square. This was a period-theme event with live entertainment, food booths, period costumes, and rides. Given the poor weather conditions, attendance was very good

- The Chinese Lantern Festival Grand Opening Reception at Pier 45, June 11 from 5:30 to 8:00 p.m. The festival will run through October 1998 and featured for the first time in America, a celebration of Chinese culture, art, entertainment and cuisine. He thanked Jeff Bauer for his work on this event.

- Port Summer BBQ @ Pier 50D on July 2nd starting at 11:30 a.m.

B. Request for funding from the Metropolitan Transportation Commission's Five Percent Reserve Bridge Toll Revenues for construction of the Downtown Ferry Terminal and the Pacific Bell Ballpark Ferry Terminal. (Resolution No. 98-54)

Mr. Larry Florin asked for the Commission's endorsement of an application that staff intends to submit to MTC for funding on the Five- Percent Reserve Bridge Toll Program. These funds would be used in the construction of the downtown Ferry Terminal and the Pacific Bell Ballpark Ferry Terminal.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-54 was adopted.

4. MARITIME

5. REAL ESTATE AND ASSET MANAGEMENT

6. FACILITIES & OPERATIONS

A. Authorization to advertise for dredging at Pier 35 East. (Resolution No. 98-55)

Mr. Alex Lee, Director of Facilities & Operations, requested Commission's approval for staff to advertise for competitive bids for the maintenance dredging at Pier 35 East. Pier 35 East is the Port's primary cruise terminal. The current depth is an average of 32 feet; the design depth is 35 feet. Staff anticipates that the dredging cost would be $300,000.

Commissioner Brandon inquired about the advertisement process. Mr. Lee replied that the Port has a standard way of advertising, i.e. it is incorporated into the minority newspapers and other organizations. Staff sends out approximately 500 informational packages for all contracts. Commissioner Brandon inquired about our regular selection process. Ms. Veronica Sanchez replied that there are only three dredging firms in the country, namely: Dutro, Matson and Great Lakes. Dredging is a limited expertise.

Commissioner Brandon inquired about the additional cost to dispose the dredge soils. Mr. Lee replied that the $300,000 includes the expected dredging cost. After further discussion, Legal Counsel Noreen Ambrose clarified that the contract includes in-bay disposal. The staff report indicates that the cost estimate of $300,000 does not include disposal of dredge soils unsuitable for in-bay disposal. Commissioner Brandon asked what the anticipated cost would be if we have to dispose the material upland. Mr. Lee replied that we have a testing plan that is being approved by the dredging material management office, which consists of EPA, BCDC, Corps of Engineers. If the testing plan is approved, staff will perform testing and determine how much material needs to be transported upland. Legal Counsel Ambrose indicated that based on prior dredging experience, there is not an expectation that the material would be contaminated but if they were to find the materials toxic, the cost of disposal would depend on the volume of the material. Mr. Lee added that the contaminated material is expected to be minimal. Since dredging is very important to the Port, Commissioner Brandon wanted to ensure that we have enough available funds for dredging.

In response to Commissioner McCarthy's inquiry about the duration of this particular dredging, Mr. Lee replied that it is estimated to last 5 years. Commissioner McCarthy inquired if the Port will have to dredge at Pier 35 every 5

years. Mr. Lee replied that it would depend on the availability of funds. The Port had just begun the maintenance dredging program. The Port will continue dredging as we continue to have more funds.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-55 was adopted.

7. PLANNING & DEVELOPMENT

A. Approval of a Cooperative Agreement between the Port of San Francisco and the City of Vallejo concerning the development of a public ferry terminal at Pier 43. (Resolution No. 98-52)

Mr. Paul Osmundson, Director of Planning & Development, indicated that in 1995, the City of Vallejo applied for and was awarded $1.6 million of Ferry Boat Discretionary funds to build a ferry terminal at Pier 43. The City of Vallejo subsequently applied for and was awarded $400,000 in matching funds from the State's Proposition 116 Clean Air and Transportation Act, for a total of $2 million. In August 1996, the Port and Vallejo received state and federal environmental clearance of the project as well as right-of-way clearance.

The City of Vallejo's ferry program is one of the most successful on San Francisco Bay. Funded primarily by Proposition 116, they have acquired vessels and established a very popular and heavily used service from Vallejo to downtown San Francisco and Pier 39.

The Port of San Francisco and the City of Vallejo have negotiated a Cooperative Agreement through which the ferry terminal would be designed and constructed by the City of Vallejo and turned over to the Port of San Francisco to manage and operate. The City of Vallejo would be permitted to land ferries at the dock at no charge for a period of time sufficient to amortize the cost of the $2 million. The details of the landing rights, the fees to be charged, scheduling and other issues would be more specifically addressed in a "Landing Rights Agreement" that the Port will negotiate with Vallejo. This Cooperative Agreement is necessary for Vallejo to begin the design and engineering process which would lead to their managing a public bid for construction of the terminal.

Under the Agreement, Vallejo has the responsibility to provide for the design and construction of the project. The Port has design review and approval of the facility, and would inspect the construction as it proceeds. The Port would also be responsible for securing all regulatory approvals for the project. Mr. Osmundson mentioned that Dave Finnegan, the Assistant City Manager of Vallejo, was available to answer any questions.

Commissioner Brandon inquired about the expected revenues for this terminal and if

the Port will be able to operate and maintain this facility. Mr. Osmundson replied that a landing fee would be set up. This is one of the issues that will be addressed in the Landing Rights Agreement. Depending on the type of operation (commuter ferry or point-to-point common carrier ferry service) and location, the Port charges a rate that would generate enough revenue for the Port to operate and maintain the facility. In other locations such as Pier 35 and Pier 43-½, the ferry operators pay the Port a percentage of their gross revenues, regardless of the type of service. At a minimum, it will cover all the maintenance and operating requirements of the terminal.

Commissioner McCarthy inquired about the design review process and asked if a presentation will be made before the Commission. Mr. Osmundson replied that Port staff meets with ferry operators monthly to discuss operations at the downtown ferry terminal. This will be used as a forum to review the design. Staff will provide the Commission a progress report.

Commissioner McCarthy asked about the time line of the project. Mr. Osmundson replied that the City of Vallejo is ready to hire their design team immediately. It would take approximately 3 to 6 months for the City of Vallejo to prepare the plans and specifications and another 3 to 4 months for the Port to get the regulatory permits.

Carolyn Horgan, Blue & Gold Fleet, indicated that since there's a lot of traffic in the area, they wanted to ensure that the emphasis is going to be on ferry boats, point-to-point, PUC regulated runs and not excursion boats. They are considering moving some of their regulated service into the public facility once it's in place.

Capt. Jim Reed, Red & White Fleet, indicated that his concern is the wake hazard that could exist for their vessels at Pier 43-½. They are currently working with Blue and Gold and they have been very responsive. He believes that transit users will be using the float and this will pose a safety problem from approaching vessels

Mr. Osmundson indicated that Capt. Reed is referring to Blue & Gold's operation at Pier 41. Red & White operates at Pier 43-½. The proposed public dock will be at Pier 43. The vessels approaching Pier 41 and 43 create a wake that may cause some problems with landing at Pier 43-½. This issue will be discussed with all the operators.

Commissioner McCarthy asked Mr. Osmundson to provide the Commission a progress on this matter. Mr. Osmundson replied that the Commission will be apprised of the progress of the project.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-52 was adopted.

B. Amendment to Pier 52 Public Boat Launch Cal Boating Grant Agreement. (Resolution No. 98-53)

Mr. Paul Osmundson, Director of Planning and Development, indicated that the Port entered into a grant agreement with Cal Boating for the Pier 52 boat launch project several years ago. On May 28, 1998, Port staff requested and the Cal Boating Commission approved a second grant for $198,000 to construct an off-site parking lot for 40 boat trailers and 6 standard vehicles to serve the boat launch. The contract agreement will now be amended a third time to reference the new parking lot grant. The resolution would authorize the Executive Director to execute the third amendment accepting the additional funding.

Commissioner Brandon asked for a clarification of the last paragraph in the staff's report. Mr. Osmundson replied that the original grant was awarded in 1994 and the agreement was extended several times because of design delays. Staff had to request approval from the Commission each time the agreement was extended. Should there be any other time delays, staff is requesting that the Executive Director be given the authority to agree with the time extensions without having to come back to the Commission. Staff does not anticipate any more time extension. Commissioner Brandon asked if this is just for time extensions or revisions to the entire project. Mr. Osmundson replied that at the BCDC Design Review Board meeting last Monday, there were additional suggestions for minor revisions to the boat launch project. If minor changes were necessary as the design is finalized and Cal Boating agrees to the changes, staff would like to be able to have the ability to seek the Port's Director approval without having to come back to the Commission.

Commissioner Brandon indicated that they would like to be kept abreast of what's happening with the project. Mr. Osmundson explained the reason behind the previous delays in the project. The ballpark and Mission Bay projects required the Port to revisit the traffic circulation issues at Terry Francois Boulevard. The original site for the boat trailer parking lot became unavailable because of the new Mission Bay plan. The boat launch project had to be revised and other issues were addressed. Staff does not expect any more time delays. Mr. Osmundson indicated that the Commission would be kept abreast of the status of the project.

Commissioner McCarthy asked if the traffic issues have been worked out. Mr. Osmundson replied to the affirmative. Mr. Osmundson indicated that the solution was to either close the boat launch for a short period of time during ballgames if it is not usable. They are also investigating putting some type of traffic control at the launch so that vehicle with trailers can get across the road. One option for Mission Bay calls for realigning Terry Francois Blvd. away from the shoreline and creating a green space along the shoreline. In that eventuality, it asks that the Port staff work with Catellus to provide for a direct route from the launch to the parking lot that would not require the vehicles to go out onto the street. This has not been finally approved or decided although it is the preferred plan for Mission Bay.

Commissioner McCarthy asked if it is anticipated that this will be built before the ballpark opens. Mr. Osmundson replied to the affirmative.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-53 was adopted.

8. FINANCE & ADMINISTRATION

9. CONSENT CALENDAR

10. NEW BUSINESS / PUBLIC COMMENT

Maria Cordero, Human Rights Commission representative, indicated that HRC was mandated three months ago to conduct a disparity study regarding the minority/women owned business enterprise program. The study was conducted up to 1995/96. The Board of Supervisors then asked that the study be extended to 1996/97 and HRC was given three months to complete the study. The Port, with Director Wong's leadership, was very supportive. The HRC Director, Commission and staff wanted to recognize the following individuals for their help with the disparity study: Nelson Alvarado, John Woo, Rob Lim and Ben Kutnick. Commissioner McCarthy thanked staff for helping out during a crunch situation.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 4:39 p.m., the Commission Secretary announced that the Commission will withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development

An executive session has been calendared to discuss with the real

property negotiator responses to the Ferry Building RFP.

b. Property: Port property located at Pier 90/92
Person Negotiating:
Port of San Francisco: Mark Lozovoy, Senior Property Manager

An executive session has been calendared to discuss with the real property negotiator status of plans for redevelopment at Pier 90/92.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case)

- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

At 6:50 p.m., Commissioners McCarthy, Brandon and Hardeman returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in the executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:52 p.m.

M. Delmas
Commission Secretary

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, JUNE 23, 1998
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

DOCUMENTS DEPT.
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AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - June 9, 1998 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **MARITIME**

   A. Approval of Marine Terminal Agreements for Blue Star (North America) and Columbus Line USA, Inc. at Pier 80. (Resolution No. 98-56)

5. **REAL ESTATE AND ASSET MANAGEMENT**

6. **FACILITIES & OPERATIONS**

   A. Authorization to award Construction Contract No. 2645, "Pier 50 Parking Shelters and Wash Area Containment" to the apparent and responsive low bidder, Kin Wo Construction, at a contract price of $514,428, plus a 10% construction contingency and authorizes the Executive Director to accept the contract work upon completion. (Resolution No. 98-57)

   B. Authorization to reject all bids on Construction Contract No. 2617, "Pier 47A Reconstruction." (Resolution No. 98-58)

7. **PLANNING & DEVELOPMENT**

   A. Authorization to extend Professional Services Contract No. CTP0944005-01 with Public Affairs Management for the Ferry Building Rehabilitation Project until December 31, 1999 and authorize Contract Modification No. 2 for additional environmental and historic preservation consulting services in an amount not to exceed $72,000. (Resolution No. 98-59)

B. Presentation by the San Francisco Redevelopment Agency on the status of planning for the South Bayshore Redevelopment Survey Area and by the Southeast Environmental Health Task Force on the work of the task force in identifying environmental health hazards in the southeast sector of San Francisco.

8. FINANCE & ADMINISTRATION

A. Authorization to award the contract for FEMA/OES pre-audit review services to Kermani Consulting Group. (Resolution No. 98-60)

9. CONSENT CALENDAR

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Port property located at Pier 27
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development
Bladium: Brad Sook, President

An executive session has been calendared to discuss real property negotiations between the Port and Bladium regarding Port property located at Pier 27.

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142. There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 - 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
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MEMORANDUM

June 17, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas Wong
Executive Director

SUBJECT: APPROVAL OF MARINE TERMINAL AGREEMENT(S) WITH THE BLUE STAR (NORTH AMERICA) AND THE COLUMBUS LINE USA, INC. FOR USE OF PIER 80.

DIRECTOR'S RECOMMENDATION: APPROVE THE 5-YEAR MARINE TERMINAL AGREEMENTS WITH BLUE STAR (NORTH AMERICA) AND COLUMBUS LINE USA, INC. AT PIER 80 AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SEEK APPROVAL BY THE SAN FRANCISCO BOARD OF SUPERVISORS TO AMEND THE AGREEMENTS TO INCLUDE A MUTUAL INDEMNITY CLAUSE.

The Port and our Pier 80 terminal marketing partner, Marine Terminal Corp. have concluded negotiations for a Five-year Marine Terminal Agreements with Blue Star (North America) and Columbus Line USA, Inc. for use of Pier 80. Blue Star (North America) and Columbus Line USA, Inc. offer a joint service between the U.S. west coast and Australia, New Zealand, Fiji and Tahiti. Their vessels will make weekly calls at Pier 80 with their first vessel call expected on June 25, 1998. While they offer a joint service, they have elected to sign separate Marine Terminal Agreements for each of their companies.

Currently both of these lines don't have vessels calling Northern California with this service. Instead their ships call Southern California and cargo is trucked between the Bay Area. We estimate that, upon approval of these agreements, the lines will generate annually 52 vessel calls and 9,000 container units in volumes to the Port.

THIS PRINT COVERS CALENDAR ITEM NO. 4A

Material provisions of the agreement include the following: (i) five year term, commencing on June 25, 1998, with the ability of either party to terminate as of July 1st; (ii) wharfage rates based on a per unit charge that decreases as cargo volume increases; (iii) dockage rates offering a 40% discount from the Port's Tariff No. 4.

If Marine Terminals Corporation ceases operations at Pier 80, the Agreement also allows termination by either Port or Carrier if they are unable to reach agreement with a new management contractor.

The Agreement contains an indemnity whereby Blue Star (North America) and Columbus Line USA, Inc. agrees to indemnify the Port and the City for claims resulting from its acts or omissions at the facility. The Port's standard exculpation clause, under which the Carrier waives all claims against the Port and the City including claims due to Port's or City's negligence, has been deleted from these Agreements pursuant to Blue Star (North America) and Columbus Line USA, Inc.'s request. In addition, Blue Star (North America) and Columbus Line USA, Inc. have requested an indemnity from Port and City against claims caused by Port or City's negligence. The City's Charter requires any indemnities by the City or Port to be approved by the Board of Supervisors. The Agreement provides that upon approval by the Board, parties will sign an amendment to the Agreements to include the Port and City's indemnity. If the Board disapproves the indemnity, Blue Star (North America) and Columbus Line USA, Inc. may terminate their Agreements upon 30-days prior written notice.

Estimated annual revenue for the agreements is approximately $600,000 from wharfage, dockage, and crane rental. These revenues will be shared with Marine Terminals Corporation per our management agreement with them.

Prepared by: Peter A. Dailey, Director, Maritime Services

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-56

WHEREAS, Blue Star (North America) and Columbus Line USA, Inc. desire to enter into Marine Terminal Agreement(s) with the Port, for use of Port's marine terminal facilities; and

WHEREAS, said Agreement grants Blue Star (North America) and Columbus Line USA, Inc. reduced dockage and wharfage charges for the utilization of the Carriers of Pier 80 as their regularly scheduled Northern California port of call; and

WHEREAS, the Agreement requires the parties to enter into an amendment to include an indemnity clause by Port and City in favor Blue Star (North America) and Columbus Line USA, Inc., upon the approval of the San Francisco Board of Supervisors; now therefore, be it

RESOLVED, that the San Francisco Port Commission approves the Marine Terminal Agreements with Blue Star (North America) and Columbus Line USA, Inc., in substantially the form of which is on file with the Secretary of the Port Commission for this agenda item; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director (i) to enter into the Agreements, (ii) to make any necessary refinements to the Agreements as are approved by the City Attorney; (iii) to obtain approval from the Board of Supervisors to amend the agreements to include a Mutual Indemnity clause and to execute such amendment; (iv) to file the Agreements with the Federal Maritime Commission; and (v) to take all such further actions as are necessary to put the Agreements into effect.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 23, 1998.

_____

Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

June 17, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorize Staff to award Contract No. 2645, "Pier 50 Parking Shelters and Wash Area Containment Project," to Kin Wo Construction.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD CONTRACT NO. 2645 TO KIN WO CONSTRUCTION FOR THE CONSTRUCTION OF THE PIER 50 PARKING SHELTERS AND WASH AREA CONTAINMENT PROJECT, AT A COST OF $514,528, AUTHORIZE A 10% CONTRACT CONTINGENCY AND AUTHORIZE THE EXECUTIVE DIRECTOR TO ACCEPT THE WORK UPON COMPLETION.

On May 21, 1997, the Commission authorized staff to advertise for one or more contracts to perform the construction improvements to Pier 50 for the Port Maintenance Department. Staff recently advertised Contract 2645, "Pier 50 Parking Shelters and Wash Area Containment Project," and received three bids. Kin Wo Construction, a San Francisco certified MBE/WBE, submitted the responsive low bid with a bid price of $514,428.00.

Funds are available for this work. Staff has reviewed the bid documents and found them to be in order. The Human Rights Commission has confirmed that the contractor meets all the requirements of Chapter 12D of the San Francisco Administrative Code.

Staff recommends that the Commission authorize the award of construction Contract 2645 to Kin Wo Construction at a contract price of $514,428, authorize a 10% construction contingency, and authorize the Executive Director to accept the work upon completion of Contract No. 2645.

Prepared by: Cliff Jarrard, Chief Harbor Engineer

THIS PRINT COVERS CALENDAR ITEM NO. 6A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-57

WHEREAS, the Commission previously authorized staff to advertise for one or more contracts to perform the construction improvements to Pier 50 for the Port Maintenance Department; and

WHEREAS, Port staff recently advertised for bids for Contract No. 2645, "Pier 50 Parking Shelters And Wash Area Containment," and

WHEREAS, Kin Wo Construction, a San Francisco certified MBE/WBE, is the responsive low bidder with a bid price of $514,428.00; and

WHEREAS, Port staff has reviewed the bid documents and confirmed that they are in order; and

WHEREAS, the Human Rights Commission has reviewed the bid documents and confirmed that the low bidder has met all the requirements of Chapter 12D of the San Francisco Administrative Code; and now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the award of Contract 2645, "Pier 50 Parking Shelters And Wash Area Containment," to Kin Wo Construction at a contract price of $514,428, plus a 10% construction contingency, and authorizes the Executive Director to accept the contract work upon completion.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 23, 1998.

_____
Secretary

I:\ CLIFF\Commission\AGD-2645

BID SUMMARY
PORT OF SAN FRANCISCO

Project: Pier 50 Parking Shelters And Wash Area Containment
Contrac 2645 **Project Engineer:** Joe Roger **Bids Opened:** 1-Jun-98

			Bidder Name	Kin Wo Const.	Bidder Name	Agbayani Const.	Bidder Name	West Bay Builders
			Address	2401 Ingalis	Address	1450 Battery Caulfield Rd.	Address	615 Lindaro St.
			City, State, Zip	S.F., CA 94124	City, State, Zip	Presidio of S.F., CA 94129	City, State, Zip	San Rafael, CA 94901
			Phone #	4156711068	Phone #	4152212065	Phone #	4154568972
Bid Item #	**Description**	**Estimated Quantity**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**
1	Supply & Install 3 Parking Shelters, incl. All Appurten.	NA	$392,800.00	$392,800.00	$642,000.00	$642,000.00	$722,000.00	$722,000.00
2	Supply & Install Wash Area Containment, incl. All Appurt.	NA	$106,128.00	$106,128.00	$48,000.00	$48,000.00	$50,000.00	$50,000.00
UP1	Handling, Loading, Hauling, Disposal, of Class III Landfill Excavated	50 CY	$28.00	$1,400.00	$80.00	$4,000.00	$50.00	$2,500.00
UP2	Handling, Loading, Hauling, Disposal, of Class I Landfill Excavated	50 CY	$218.00	$10,900.00	$150.00	$7,500.00	$200.00	$10,000.00
UP3	Supply & Installation of Approved Fill Materials	20 CY	$160.00	$3,200.00	$110.00	$2,220.00	$40.00	$800.00
	Totals			**$514,428.00**		**$703,720.00**		**$785,300.00**

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PORT OF SAN FRANCISCO

Prepared By: Joe Roger
Checked By: Joe Roger
Date: 6 3 98
Page of 1 of 2

Project: Pier 50 Parking Shelters And Wash Area Containment
Contrac 2645 **Project Engineer:** Joe Roger **Bids Opened** 1-Jun-98

		Bidder Name Kin Wo Const		Bidder Name Agbayani Con		Bidder Name West Bay Buil		Bidder Name		Bidder Name	
		Address 2401 Ingalls		Address 1450 Battery Caulfield Rd. Presidio of S.F., CA		Address 615 Lindaro S		Address		Address	
		City, State, Zip S.F., CA 9412		City, State, Zip 94129		City, State, Zip San Rafael, C		City, State, Zip		City, State, Zip	
		Phone # 4156711068		Phone # 4152212065		Phone # 4154568972		Phone #		Phone #	
Required Forms	Document #	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)
Bid	00300	Y		Y		Y					
Addenda Acknowledgement		Y		Y		Y					
Schedule of Bid Prices	00302	Y		Y		Y					
Schedule of Unit Prices	00304	Y		Y		Y					
Bid Bond	00411	Y		Y		Y					
Experience & Financial Qualification	00420	Y		Y		Y					
List of Subcontractors	00430	Y		Y		Y					
Non-Collusion Certification	00481	Y		Y		Y					
HRC Form 1		Y		Y		Y					
HRC Schedule A (as applic. by 5pm)											
HRC Schedule L (as applic. by 5pm)											
HRC Form 2A		Y		Y		Y					
HRC Form 2B			N	Y		Y					
HRC Form 3		Y		Y		Y					
HRC Form 12B-101		Y		Y		Y					
HRC Form 12B-102		Y		Y		Y					
HRC Form 12B-103		Y		Y		Y					
Apprenticeship Program	00490	Y		Y		Y					
Business Tax Reg Declaration	00491	Y		Y		Y					
Highest General Prevailing Wage	00492	Y		Y		Y					
Equal Opp Empl & Bus Practices: L0	00493	Y		Y		Y					
MacBride Principles	00494	Y		Y		Y					
Deemed Responsive by Engin & HRC (Y/N) ?											

Total Bid →		from other page				
PREFERENCES (as applicable):						
MBE	10%	($)				
WBE	10%	($)				
LBE	5%	($)				
JV	5%	($)				
JV	7.5%	($)				
JV	10%	($)				
Adjusted Bid →						

PORT OF SAN FRANCISCO

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MEMORANDUM

June 17, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to reject all bids on construction Contract No. 2617, "Pier 47A Reconstruction"

DIRECTOR'S RECOMMENDATION: REJECT ALL BIDS FOR CONTRACT NO. 2617

On May 21, 1998, the Port received bids for Contract No. 2617, "Pier 47A Reconstruction Project." Seven contractors submitted bids and a copy of the bid results is attached. The bids ranged from $977,825 to $1,668,100, all in excess of the available funding. The funds available for construction are $812,239.00, derived as follows:

Funding source:

TEA	$530,000.00
Port	$400,000.00
	$930,000.00

Funds already spent or committed for the project are as follows:

AGS Soils Report:	$56,139.00
Architectural Services (BOA*):	$39,622.00
AGS, Indicator Pile Program:	$22,000.00 (estimated)
	$117,621.00

*(BOA is Bureau of Architecture, Department of Public Works, City and County of San Francisco)

THIS PRINT COVERS CALENDAR ITEM NO. **6B**

Remaining Funding:

$930,000.00
-$117,621.00 (Expended or committed)
$812,239.00

It has been standard practice for staff to apply a 10% contingency for construction contracts. Applying this 10% contingency to the low bid of $977,825 results in required funding of $1,075,067.50. This leaves a funding shortfall of $262,828.50 and additional funds are not available at this time. The Port therefore has no choice but to reject all bids and seek alternatives to reconstruction of Pier 47A.

Staff recommends that the Commission authorize rejection of all bids for Contract No. 2617.

Prepared by: Cliff Jarrard, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-58

WHEREAS, on May 21, 1998, seven bids were received for Contract No. 2617, "Pier 47A Reconstruction Project"; and

WHEREAS, the bids received ranged from $977,825 to $1,668,100; and

WHEREAS, the funds available for construction total $812,239.00; and

WHEREAS, the Engineer's estimate for the work was $700,000; and

WHEREAS, there is a substantial funding shortfall between the low bid of $977,825 and the available funding of $812,239; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the rejection of all bids for Contract No. 2617, "Pier 47A Reconstruction Project."

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 23, 1998.

_____
Secretary

I:\ CLIFF\Commission\AGD-2617rej

BID SUMMARY
PORT OF SAN FRANCISCO

Prepared By: Victor Yew
Checked By:
Date: May 21, 1998

Project: Pier 47A Reconstruction Project
Contract No.: 2617
Project Engineer: Victor Yew
Bids Opened: Thursday, May 21, 1998, 2 P.M.

Bid Item #	Description	Estimated Quantity	Lucus Marine Construction Inc. PO BOX 679 W. Sacramento, CA 95691-0679 (916) 372-5794 Unit /LS Price	Total	Vortex Diving Inc. 2900 Main St., Building 65 Alemeda, CA 94501 (510) 865-8666 Unit /LS Price	Total	Power Engineering Contractors Inc 1500 Ferry Point PO BOX 545 Alameda, CA 94501 (510) 337-3800 Unit /LS Price	Total	Valentine Corportation PO BOX 9337 San Rafael, CA 94912 (415) 453-3732 Unit /LS Price	Total
1	Mobilization	Lump Sum	$ 45,000.00	$ 45,000.00	$ 50,000.00	$ 50,000.00	$ 55,000.00	$ 55,000.00	$ 60,000.00	$ 60,000.00
2	Demolition	Lump Sum	$ 120,000.00	$ 120,000.00	$ 125,000.00	$ 125,000.00	$ 111,710.00	$ 111,710.00	$ 153,669.00	$ 153,669.00
3	Pier Superstructure Steel Framing	Lump Sum	$ 110,000.00	$ 110,000.00	$ 100,000.00	$ 100,000.00	$ 187,497.00	$ 187,497.00	$ 62,000.00	$ 62,000.00
4	Pier Wood Deck, Railing and Bullrail	Lump Sum	$ 189,617.00	$ 189,617.00	$ 230,000.00	$ 230,000.00	$ 250,000.00	$ 250,000.00	$ 230,000.00	$ 230,000.00
5	View Deck Stair, Ramp, Decking, and	Lump Sum	$ 26,000.00	$ 26,000.00	$ 50,000.00	$ 50,000.00	$ 20,000.00	$ 20,000.00	$ 30,000.00	$ 30,000.00
6	Electrical Work	Lump Sum	$ 20,000.00	$ 20,000.00	$ 35,000.00	$ 35,000.00	$ 39,000.00	$ 39,000.00	$ 75,000.00	$ 75,000.00
7	Plumbing Work	Lump Sum	$ 20,000.00	$ 20,000.00	$ 12,000.00	$ 12,000.00	$ 5,400.00	$ 5,400.00	$ 15,000.00	$ 15,000.00
1	Furnish and Drive Indicator Piles, EACH	8	$ 8,000.00	$ 64,000.00	$ 4,000.00	$ 32,000.00	$ 6,200.00	$ 49,600.00	$ 6,000.00	$ 48,000.00
2	Extract Pile and Redrive, EACH	2	$ 8,000.00	$ 16,000.00	$ 2,500.00	$ 5,000.00	$ 2,900.00	$ 5,800.00	$ 6,000.00	$ 12,000.00
3	Furnish and Drive Pile Extensions, EACH	3	$ 7,500.00	$ 22,500.00	$ 2,000.00	$ 6,000.00	$ 5,200.00	$ 15,600.00	$ 6,000.00	$ 18,000.00
4	Furnish 36 Foot Long Plastic Covered 8" Standard Weight Steel Pipe Pile Portion of Bearing and Batter Piles, EACH	64	$ 1,600.00	$ 102,400.00	$ 1,900.00	$ 121,600.00	$ 2,200.00	$ 140,800.00	$ 2,000.00	$ 128,000.00
5	Furnish 8" Dia. Standard Weight Steel Pipe Pile Portion of Bearing and Batter Piles, LINEAL FOOT	2300	$ 14.00	$ 32,200.00	$ 12.00	$ 27,600.00	$ 10.00	$ 23,000.00	$ 11.00	$ 25,300.00
6	Field Fabricate, Drive and Cut-off Bearing Piles, LINEAL FOOT	2400	$ 8.00	$ 19,200.00	$ 16.00	$ 38,400.00	$ 16.00	$ 38,400.00	$ 25.00	$ 60,000.00
7	Field Fabricate, Drive and Cut-off Batter Piles, LINEAL FOOT	2500	$ 16.00	$ 40,000.00	$ 18.00	$ 45,000.00	$ 15.00	$ 37,500.00	$ 30.00	$ 75,000.00
8	Furnish Fender Piles, EACH	36	$ 1,800.00	$ 64,800.00	$ 2,200.00	$ 79,200.00	$ 3,500.00	$ 126,000.00	$ 3,000.00	$ 108,000.00
9	Drive and Cut-off Fender Piles, EACH	36	$ 300.00	$ 10,800.00	$ 850.00	$ 30,600.00	$ 400.00	$ 14,400.00	$ 2,000.00	$ 72,000.00
10	Furnish and Install Light Poles and Fixtures, EACH	13	$ 3,000.00	$ 39,000.00	$ 3,000.00	$ 39,000.00	$ 1,800.00	$ 23,400.00	$ 3,000.00	$ 39,000.00
11	Furnish and Install Benches, EACH	4	$ 1,800.00	$ 7,200.00	$ 500.00	$ 2,000.00	$ 1,500.00	$ 6,000.00	$ 1,700.00	$ 6,800.00
12	Furnish and Install Ladders, EACH	6	$ 1,400.00	$ 8,400.00	$ 500.00	$ 3,000.00	$ 800.00	$ 4,800.00	$ 1,200.00	$ 7,200.00
13	Install Cleats, EACH	14	$ 300.00	$ 4,200.00	$ 300.00	$ 4,200.00	$ 200.00	$ 2,800.00	$ 500.00	$ 7,000.00
14	Install Bollards, EACH	2	$ 1,054.00	$ 2,108.00	$ 1,000.00	$ 2,000.00	$ 1,000.00	$ 2,000.00	$ 500.00	$ 1,000.00
15	Concrete for Piling, CY	48	$ 300.00	$ 14,400.00	$ 400.00	$ 19,200.00	$ 200.00	$ 9,600.00	$ 300.00	$ 14,400.00
	Totals			$ 977,825.00		$ 1,056,800.00		$ 1,168,307.00		$ 1,247,369.00

BID SUMMARY
PORT OF SAN FRANCISCO

Project: Pier 47A Reconstruction Project
Contract No.: 2617 **Project Engineer: Victor Yew** **Bids Opened: Thursday, May 21, 1998, 2 P.M.**

Bid Item #	Description	Estimated Quantity	Ranger Pipelines Inc. 1296 Armstrong Ave. PO BOX 24109 San Francisco, CA 94124 (415)822-3700 Unit /LS Price	Total	Agbayani Inc 2623 - 18th Avenue San Francisco, CA 94116 (415) 221-2065 Unit /LS Price	Total	Diablo Contractors Inc One Crow Canyon Court Suite 210 San Ramon, CA 94583 (510) 552-8250 Unit /LS Price	Total
1	Mobilization	Lump Sum	$ 53,400.00	$ 53,400.00	$ 120,000.00	$ 120,000.00	$ 70,000.00	$ 70,000.00
2	Demolition	Lump Sum	$ 140,130.00	$ 140,130.00	$ 82,000.00	$ 82,000.00	$ 405,000.00	$ 405,000.00
3	Pier Superstructure Steel Framing	Lump Sum	$ 111,700.00	$ 111,700.00	$ 114,200.00	$ 114,200.00	$ 200,000.00	$ 200,000.00
4	Pier Wood Deck, Railing and Bullrail	Lump Sum	$ 227,980.00	$ 227,980.00	$ 124,900.00	$ 124,900.00	$ 250,000.00	$ 250,000.00
5	View Deck Stair, Ramp, Decking, and	Lump Sum	$ 19,620.00	$ 19,620.00	$ 122,000.00	$ 122,000.00	$ 20,000.00	$ 20,000.00
6	Electrical Work	Lump Sum	$ 34,290.00	$ 34,290.00	$ 84,000.00	$ 84,000.00	$ 65,000.00	$ 65,000.00
7	Plumbing Work	Lump Sum	$ 11,000.00	$ 11,000.00	$ 85,000.00	$ 85,000.00	$ 30,000.00	$ 30,000.00
1	Furnish and Drive Indicator Piles, EACH	8	$ 14,600.00	$ 116,800.00	$ 4,200.00	$ 33,600.00	$ 4,000.00	$ 32,000.00
2	Extract Pile and Redrive, EACH	2	$ 4,300.00	$ 8,600.00	$ 7,400.00	$ 14,800.00	$ 6,000.00	$ 12,000.00
3	Furnish and Drive Pile Extensions, EACH	3	$ 4,600.00	$ 13,800.00	$ 6,000.00	$ 18,000.00	$ 5,000.00	$ 15,000.00
4	Furnish 36 Foot Long Plastic Covered 8" Standard Weight Steel Pipe Pile Portion of Bearing and Batter Piles, EACH	64	$ 1,800.00	$ 115,200.00	$ 2,200.00	$ 140,800.00	$ 2,000.00	$ 128,000.00
5	Furnish 8" Dia. Standard Weight Steel Pipe Pile Portion of Bearing and Batter Piles, LINEAL FOOT	2300	$ 9.14	$ 21,022.00	$ 24.00	$ 55,200.00	$ 20.00	$ 46,000.00
6	Field Fabricate, Drive and Cut-off Bearing Piles, LINEAL FOOT	2400	$ 53.04	$ 127,296.00	$ 38.00	$ 91,200.00	$ 35.00	$ 84,000.00
7	Field Fabricate, Drive and Cut-off Batter Piles, LINEAL FOOT	2500	$ 41.79	$ 104,475.00	$ 39.00	$ 97,500.00	$ 35.00	$ 87,500.00
8	Furnish Fender Piles, EACH	36	$ 2,000.00	$ 72,000.00	$ 2,400.00	$ 86,400.00	$ 2,000.00	$ 72,000.00
9	Drive and Cut-off Fender Piles, EACH	36	$ 473.00	$ 17,028.00	$ 1,400.00	$ 50,400.00	$ 1,200.00	$ 43,200.00
10	Furnish and Install Light Poles and Fixtures, EACH	13	$ 3,500.00	$ 45,500.00	$ 4,100.00	$ 53,300.00	$ 5,000.00	$ 65,000.00
11	Furnish and Install Benches, EACH	4	$ 1,400.00	$ 5,600.00	$ 918.00	$ 3,672.00	$ 2,000.00	$ 8,000.00
12	Furnish and Install Ladders, EACH	6	$ 1,700.00	$ 10,200.00	$ 4,000.00	$ 24,000.00	$ 2,000.00	$ 12,000.00
13	Install Cleats, EACH	14	$ 479.00	$ 6,706.00	$ 435.00	$ 6,090.00	$ 500.00	$ 7,000.00
14	Install Bollards, EACH	2	$ 757.00	$ 1,514.00	$ 2,000.00	$ 4,000.00	$ 1,000.00	$ 2,000.00
15	Concrete for Piling, CY	48	$ 644.00	$ 30,912.00	$ 120.00	$ 5,760.00	$ 300.00	$ 14,400.00
	Totals			$ 1,294,773.00 see note 1		$ 1,416,822.00 see note 2		$ 1,668,100.00 see note 3

Note 1: Bid total corrected to this amount from total appearing in bid Of $1,294,803.

Note 2 Total to unit price item no. 10 adjusted for estimated quantity of 13 per Addendum No. 6.

Note 3: Total to unit price item no. 10 adjusted for estimated quantity of 13 per Addendum No. 6. Also unit price item no. 7 corrected to total of $87,500 from $87,000.

BID SUMMARY
PORT OF SAN FRANCISCO

Prepared By: Victor Yew
Checked By:
Date: May 21, 1998

Project: Pier 47A Reconstruction Project
Contract No.: 2617 **Project Engineer: Victor Yew** **Bids Opened: Thursday, May 21, 1998, 2 P.M.**

		Lucus Marine Construction Inc PO BOX 679 W. Sacramento, CA 95691-06 (916) 372-5794		Vortex Diving Inc. 2900 Main St., Building 65 Alemeda, CA 94501 (510) 865-8666		Power Engineering Contractor 1500 Ferry Point PO BOX 545 Alameda, CA 94501 (510) 337-3800		Valentine Corportation PO BOX 9337 San Rafael, CA 94912 (415) 453-3732		Ranger Pipelines Inc. 1296 Armstrong Ave. PO BOX 24109 San Francisco, CA 94124 (415)822-3700	
Required Forms	Document #	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)	Yes (Y)	No (N)
HRC Form 1		Y		Y		Y		Y		Y	
HRC Form 3		Y		Y		Y		Y		Y	
Section 14. Federal Requirements for		Y		Y		Y		Y		Y	
Required Contract Provisions Federal		Y		Y		Y		Y		Y	
Equal Employment Opportunity Certif		Y		Y		Y		Y		Y	
Noncollusion Affidavit		Y		Y		Y		Y		Y	
Debarment and Suspension Certificat		Y		Y		Y		Y		Y	
Nonlobbying Certification for Federal		Y		Y		Y		Y		Y	
Disclosure of Lobbying Activities (Sta		Y		Y		Y		Y		Y	
Federal Requirement Training Special		Y		Y		Y		Y		Y	
Bidder DBE Information		Y		Y		Y		Y		Y	
Good Faith Effort Statement of DBE		Y		Y		Y		Y		Y	
Assurance of Disadvantage Business		Y		Y		Y		Y		Y	
Public Contract Code Section 10285.1		Y		Y		Y		Y		Y	
Public Contract Code 10162 Question		Y		Y		Y		Y		Y	
Certificate of Bidder Regarding Affirma		Y		Y		Y		Y		Y	
Worker's Conpensation Certificate		Y		Y		Y		Y		Y	
Deemed Responsive by Engin & HRC (Y/N) ?	N.A.										
	see notes below										

Note 1. There are no bid preference for this Federally-aided project.

Note 2. The submittal and review of HRC forms was suspended because of the budget shortfall.

BID SUMMARY
PORT OF SAN FRANCISCO

Prepared By: Victor Yew
Checked By:
Date: May 21, 1998

Project: Pier 47A Reconstruction Project
Contract No.: 2617 **Project Engineer: Victor Yew** **Bids Opened: Thursday, May 21, 1998, 2 P.M.**

		Ranger Pipelines Inc. 1296 Armstrong Ave. PO BOX 24109 San Francisco, CA 94124 (415)822-3700		Agbayani Inc 2623 - 18th Avenue San Francisco, CA 94116 (415) 221-2065		Diablo Contractors Inc One Crow Canyon Court Suite 210 San Ramon, CA 94583 (510) 552-8250					
Required Forms	Document #	Yes (Y)	No (N)	Yes (Y)	No (N)						
Bid	00300	Y		Y		Y					
Addenda Acknowledgement		Y		Y		Y					
Schedule of Bid Prices	00302	Y		Y		Y					
Schedule of Unit Prices	00304	Y		Y		Y					
Bid Bond	00411	Y		Y		Y					
Experience & Financial Qualifications	00420	Y		Y		Y					
List of Subcontractors	00430	Y		Y		Y					
Non-Collusion Certification	00481	Y		Y		Y					
Apprenticeship Program	00490	Y		Y		Y					
Business Tax Reg Declaration	00491	Y		Y		Y					
Highest General Prevailing Wage	00492	Y		Y		Y					
Equal Opp Empl & Bus Practices: LD	00493	Y		Y		Y					
HRC Form 1		Y		Y		Y					
HRC Form 3		Y		Y		Y					
Section 14. Federal Requirements for		Y		Y		Y					
Required Contract Provisions Federal		Y		Y		Y					
Equal Employment Opportunity Certif		Y		Y		Y					
Noncollusion Affidavit		Y		Y		Y					
Debarment and Suspension Certificat		Y		Y		Y					
Nonlobbying Certification for Federal		Y		Y		Y					
Disclosure of Lobbying Activities (Sta		Y		Y		Y					
Federal Requirement Training Special		Y		Y		Y					
Bidder DBE Information		Y		Y		Y					
Good Faith Effort Statement of DBE		Y		Y		Y					
Assurance of Disadvantage Business		Y		Y		Y					
Public Contract Code Section 10285.1		Y		Y		Y					
Public Contract Code 10162 Question		Y		Y		Y					
Certificate of Bidder Regarding Affirma		Y		Y		Y					
Worker's Conpensation Certificate		Y		Y		Y					
Deemed Responsive by Engin & HRC (Y/N) ? N/A											

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

June 17, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Extension of Professional Services Contract No. CTP0944005 01, "ENVIRONMENTAL CONSULTING SERVICES FOR THE FERRY BUILDING RENOVATION PROJECT," with Public Affairs Management until December 31, 1999, and approval of Second Contract Amendment for additional environmental and historic preservation work.

DIRECTOR'S RECOMMENDATION: EXTEND CONTRACT NO. CTP0944005 01 WITH PUBLIC AFFAIRS MANAGEMENT UNTIL DECEMBER 31, 1999 AND APPROVE SECOND CONTRACT AMENDMENT IN AN AMOUNT NOT TO EXCEED $72,000.

In 1993, the Port received a $1.0 million Transportation Enhancement Activities (TEA) grant from the Federal Highway Administration to fund preliminary design, engineering, feasibility and environmental analyses and studies of the rehabilitation of the Ferry Building. The Port then received a Federal Transit Administration Section 3 grant for $1.0 million. The Port issued a Request For Proposals in March 1994 (pursuant to Port Commission Resolution No. 94-23, February 1994) for environmental consulting services for the Ferry Building renovation. The Port Commission (by Resolution No. 94-88, July 1994) approved a professional services contract with Public Affairs Management (PAM) to conduct the environmental consulting services for the renovation of the Ferry building, in an amount not to exceed $249,798, using the TEA grant.

Port staff negotiated an initial contract amount with PAM in the amount of $204,223, pending further information about transportation study requirements from the San Francisco Planning Department. As a result, Port staff then amended the contract to

THIS PRINT COVERS CALENDAR ITEM NO. 7A

include additional services, increase the total to $234,121.09, within the Port Commission's authorized $249,798 not to exceed limit, and extend the term of the contract to December 31, 1998. Total contract costs are itemized below:

Original Contract Amount:	$204,223.00
Amendment No. 1	$29,898.09
Total to Date:	$234,121.09

Port staff have worked with the S.F. Planning Department's Office of Environmental Review and the State Historic Preservation Officer to further the environmental and historic preservation review for this project, and have made substantial progress in completing preliminary drafts for these documents. However, these agencies have commented more extensively than anticipated due to the complexity associated with the rehabilitation of the Ferry Building in a manner which meets the U.S. Secretary of the Interior's Guidelines for the Rehabilitation of Historic Buildings while providing an economically feasible total development program and design. Additional documentation has been developed to satisfy these requirements and to define more fully the project's historic preservation components. Graphics design consulting has also been required to present the opportunities associated with the rehabilitation of this historic building in order to maximize developer interest in this substantial project.

The Port requires further environmental services to respond to final S.F. Planning Department, State and Federal agency comments for the Ferry Building environmental and historic preservation analyses, produce final reports, and provide for environmental and preservation monitoring, reporting and coordination. The term of the contract should be extended through December 31, 1999, in order to complete the environmental and historic preservation review and provide additional environmental consulting services the Port may require once a developer is selected for exclusive negotiations. These services include responding to public comments from citizens, organizations and other public agencies, and preparing additional documentation and reports at the direction of the Port.

To accomplish the above identified tasks, Port staff seeks the following changes in the Consultant's work scope:

- Respond to S.F. Planning Department final comments and prepare a draft Initial Study/Environmental Assessment (IS/EA) and related environmental, historic preservation and other documents for review by citizens, organizations and other public agencies;

- Attend up to three (3) public hearings on the project, draft IS/EA and related documents;

- Respond to public comments and prepare final IS/EA and related documents;

- Prepare and assist in environmental and preservation monitoring, reporting and coordination; and

- Provide additional services as directed by Port staff including evaluation and documentation of any modifications to the Ferry Building Rehabilitation Project which involve environmental or historic preservation issues.

This contract modification would increase the contract amount by $72,000, for a total of $306,121.09. The Disadvantaged Business Enterprise (DBE) participation goal for this contract of 32% will be met as part of this amendment. The additional cost of this contract amendment will be fully funded from the existing Federal Transit Administration $1 million grant.

Prepared by: Paul Osmundson
Director of Planning & Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **98-59**

WHEREAS, the Port Commission adopted Resolution No. 94-88 on July 12, 1994 approving a professional services contract ("Contract") with Public Affairs Management ("Consultant") to conduct environmental consulting services for the renovation of the Ferry Building in an amount not to exceed $249,798.00; and

WHEREAS, the Contract with the Consultant was entered into in an initial amount of $204,233, and subsequently amended in an amount not to exceed $234,121.09; and

WHEREAS, following comments received on preliminary environmental and historic preservation documents and preparation of additional supportive documentation, the Contract scope of work requires amendment for the Consultant to complete the environmental and historic preservation documentation, attend public hearings, assist in environmental and preservation mitigation monitoring, reporting and coordination, and continue assisting the Port staff in evaluating any future modifications to the program for rehabilitation of the Ferry Building; and

WHEREAS, Port staff requests that the Contract be extended through December 31, 1999; and

WHEREAS, Port Staff has met with the Consultant and negotiated a price not to exceed $72,000 to complete the additional tasks, for a total contract amount of $306,121.09; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes staff to extend the term of the contract and enter into the Second Amendment to Contract No. CTP0944005 01 with Public Affairs Management to extend the term of the Contract through December 31, 1999 and to increase the contract amount by $72,000 for the above described work.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 23, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

June 23, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to award a contract for FEMA/OES pre-audit review services to Kermani Consulting Group

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD THE CONTRACT FOR FEMA\OES PRE-AUDIT REVIEW SERVICES TO KERMANI CONSULTING GROUP

At its meeting of January 16, 1998, the Port Commission authorized staff to issue a Request for Proposals (RFP) for a consultant to review earthquake repair project documentation in preparation for a final inspection and audit by FEMA/OES.

Staff issued the RFP on April 1st. The Port advertised in the following publications:

- Asian Week
- Philippine News
- The Sun Reporter
- San Francisco Latino
- San Francisco Independent

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- Small Business
- Purchaser's Bid Newsletter

In addition to the advertisements, Port staff sent RFP's to nineteen (19) firms identified by the Human Rights Commission. The Port sent out an additional eighty (80) RFP's in response to inquires from the advertisements.

A pre-proposal conference was conducted at the Port on April 14th. Representatives from eight firms attended the pre-proposal conference.

The deadline for submission of proposals was April 30th. Two proposals were received from:

- Kermani Consulting Group
- Acumen Building Enterprise

A four member panel, made up entirely of Port staff, reviewed the proposals. The panel followed up on its review by requesting additional information from both firms. The firms were asked to "review the Port's documentation and on the basis of such review, provide an estimate of the total hours necessary to complete the project and an updated estimate of the cost of the project". The firms were also asked to provide a Work Plan.

The panel met on June 1st to review the additional information. The panel scored the proposals, including the additional information submitted. The firms were rated on the criteria stated in the RFP.

The panel subsequently held interviews on June 9th and 10th, and rated the firms based on the criteria included in the RFP.

The RFP criteria is as follows:

- Firm Experience (0 – 25 pts)
- Ability to Meet the Port's Needs (0 – 40 pts)
- Assigned Project Staff (0 - 30 pts)
- Fees (0 – 5 pts)

The panel scored the proposals and interviews and unanimously ranked the Kermani proposal first. It was significant to the panel that the Kermani team has experience with FEMA/OES projects that is superior to the Acumen team. This experience is very important to this project.

The Kermani Consulting Group has proposed to complete the project for a cost not to exceed $69,000. This contract will be funded by administrative reimbursement from FEMA/OES.

Staff recommends and requests that the Commission authorize the award of the contract to Kermani Consulting Group.

Prepared by: Ben Kutnick, Director, Finance & Administration

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-60

WHEREAS, the Port Commission by Resolution No. 98-07 authorized staff to issue a Request for Proposal for consultant services to review the Port's earthquake repair project documentation in preparation for a final FEMA/OES audit; and

WHEREAS, a Request for Proposal was issued April 1, 1998; and

WHEREAS, two proposals were received and reviewed by a selection panel; and

WHEREAS, the selection panel unanimously ranked Kermani Consulting Group the most qualified; and now, therefore be it

RESOLVED, that the Port Commission hereby approves the staff recommendation and authorizes staff to negotiate a contract with the Kermani Consulting Group at a cost not to exceed $69,000.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 23, 1998.

_____
Secretary

SAN FRANCISCO
PORT COMMISSION

JUNE 23, 1998
MINUTES OF THE MEETING

DOCUMENTS DEPT.

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JUNE 23, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:10 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, and Michael Hardeman.

Commissioner McCarthy asked for a motion to have Item 7B heard after the Executive Director's Report, per public's request.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

2. APPROVAL OF MINUTES - June 9, 1998 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

- The Waterfront Land Use Plan received an award from the Northern California Chapter of the American Planning Association. Port staff is extremely proud to receive this recognition from the largest national organization of professional planners.

  The Waterfront Plan was recognized because it provides a model for other waterfront revitalization efforts throughout the country. In addition, it was recognized as a successful, consensus-building public planning effort. On behalf of the staff, Mr. Wong extended his appreciation to the Commission and the community, particularly to the Waterfront Plan Advisory Board, for their energy and participation. The Waterfront Plan will now proceed to state APA competition. If successful, it will go on to the national APA honors. Staff hopes to have more APA award news in the upcoming year.

- 4th of July Waterfront Festivities – The Chronicle's annual Independence Day celebration will be held on Saturday, July 4th, which stretches along San Francisco's beautiful waterfront from Aquatic Park, and Fisherman's Wharf, to

Pier 39. Fireworks will fill the sky over San Francisco Bay from Aquatic Park and Pier 39, starting at 9:30 p.m.

- Tuesday, July 14 is the 100th year anniversary of the Ferry Building. The reception starts at 11:00 a.m. in the Port Commission room and continues at noon off the Ferry Plaza with live music, entertainment, daytime fireworks, fireboats and historical displays. He invited the Commissioners to the celebration and noted that the Mayor and other distinguished guests are also expected to attend. He thanked Renee Dunn and Jeff Bauer for their hard work.

- On June 11th and 12th, Port staff held an intensive two-day staff workshop for the location of a new cruise terminal for the Port. The Port reviewed Pier 35, Piers 27-29 and 30-32 against a variety of criteria, including operational efficiencies, dredging, neighborhood compatibility, etc. The Port met PRIME industries, experts on the cruise industry, representatives from Metropolitan Stevedore, cruise lines, transit operators, travel industry representatives and the Bar Pilots, among others.

  Findings from the workshop and next steps will be summarized in a background report for Port Commission consideration at an upcoming Port Commission meeting this summer.

  Commissioner McCarthy congratulated Planning staff for the award on the Waterfront Land Use Plan. She also thanked Veronica Sanchez and other Port staff for putting together an excellent workshop regarding the cruise terminal information.

7. PLANNING & DEVELOPMENT

B. Presentation by the San Francisco Redevelopment Agency on the status of planning for the South Bayshore Redevelopment Survey Area and by the Southeast Environmental Health Task Force on the work of the task force in identifying environmental health hazards in the southeast sector of San Francisco.

Mr. Larry Florin thanked the Commission for taking this item out of order. He mentioned that Port staff invited representatives from the Health Department, the Bayview Hunters Point Health and Environmental Assessment Task Force and the Redevelopment Agency to brief the Commission on some of the ongoing work in their various agencies. Representatives from the community, particularly from SAEJ, will be sharing some of their issues and concerns regarding development in the southern waterfront and the southeast sector of San Francisco. He then introduced Ben Gale, Director of Environmental Health, Dept. of Public Health.

Ben Gale indicated that this information is presented in response to Mr. Wong's request to Dr. Katz regarding environmental health concerns in the southern waterfront area of San Francisco. Environmental Health Management mission is to

protect the public health and safety of the population of San Francisco. Environmental health is the physical well being and mental health of a population.

Mr. Gale indicated that in 1995, the San Francisco Energy Company proposed to construct a cogeneration power plant in the Bayview Hunters Point (BVHP) area. The prospect of another power plant raised serious concern and in response to this proposal, community members set out to do their homework. To demonstrate that the toxic-burden of Bayview Hunters Point had been exceeded several times over, the community felt that the construction of another power plant raised the concern for environmental justice. Community concerns were wide-ranging and spread across personal experience to anecdotal questions regarding the safety of the potable water supply in schools or fish in the Bay. With more questions than answers, the community reached out for information and answers from every resource available. The community raised the following concerns:

I. Physical and mental health
- Asthma, bronchitis and other respiratory ailments
- Cervical and breast cancers
- Prostate cancer
- Schizophrenia
- High burden of mortality

II. Environmental Factors
- Air quality - $PM_{10's}$, vehicle exhaust, toxic emissions, etc.
- Potable water - lead
- Bay waters - fish advisories, sewage discharges
- Asbestos - naturally occurring outcroppings
- Lead -pre-1950 housing stock
- Vehicle traffic/density
- Noise

In response to those concerns, Environmental Health Division set out to create a database that would profile the toxic burden of the BVHP community. Consequently, a survey of existing databases within the environmental health division and external sources such as the Bay Area Air Quality Management District and the California Department of Health Services produced the first "toxic map" for the City, specifically the BVHP community. This was neither a scientific study nor a health status of the community but rather a survey and compilation of existing toxic inventories by category:

- Hazardous Waste Generators. The generation of hazardous waste; examples include waste motor oil, spent photographic chemicals.
- Underground Storage Tank Facilities. Sites known to have underground storage tanks, containing petroleum products at establishments such as gas stations or high rise buildings.
- Contaminated Underground Storage Tank Sites. Sites known to be

contaminated by petroleum products from leaky underground storage tank, generally gas stations, but may include home heating oil tanks.

- Registered Hazardous Materials Facilities. Facilities registered to handle and store hazardous materials in aggregate quantities of 55 gallons of liquid, 550 pounds of solids, or 200 cubic feet of compressed gas. Includes dry cleaners, auto body shops, plating shops, paint stores.
- Acutely Hazardous Materials Sites. Facility has the potential to result in off-site consequences; examples include pools (chlorine gas), refrigeration systems (ammonia).
- Hazardous Waste On-Site Treatment Facilities. Facilities permitted or registered by the State to operate a treatment process for hazardous waste that is produced by that business. Examples include silver recovery at a photo processing shop.
- Federal Superfund/Cal Sites. Sites under EPA clean up and abatement orders.
- Power Plants. Classified as major discharger by EPA, effluent discharge and potential toxicity of the wastewater.

Mr. Gale showed the Commission a map showing known hazardous materials/waste facilities located within the City. He noted that the preponderance of facilities is located within the eastern portion of the City.

In 1995, a number of studies have been conducted and although it still remains a question as to what is environmentally linked, more is known about the community. The information is being upgraded and refined on a regular basis. One of the best reports is a descriptive study conducted by Dr. Tomas Aragon, San Francisco Department Health and Dr. Kevin Grumback of UCSF. In their published report, *Bayview Hunters Point Community Health and Environment Check Up*, dated May 17, 1997, they conclude the following:

- San Francisco African American residents experience a significantly higher burden of disease and injury compared to other racial/ethnic groups. For example, current life expectancy for San Francisco African American males is 59.9 years.
- The poorer health status of BVHP residents can be explained (but not justified), in large part, by the racial disparities in health among San Francisco residents. Because African Americans make up 60% of BVHP residents, the burden of disease and injuries is especially concentrated, apparent, and real.
- In addition, BVHP differs in unique ways from other communities. Along with having higher hospitalization rates for respiratory diseases, BVHP has the highest density of air polluting industries compared to other San Francisco neighborhoods. BVHP has among the highest hospitalization rates in all age groups not only in the City, but also in the State for asthma, hypertension, congestive heart failure and diabetes mellitus.

A two-page summary of the key findings prepared by Dr. Tomas Aragon provides a comprehensive medical summary of his original work.

The Environmental Health Division continues to respond to citizen complaints, inquiries and hearsay to put some answers to questions among the community. They continue to clean up the existing sites. There is support for abatement, for identifying issues that need to be addressed and support for people who feel that this should not go on.

The City Attorney's office has applied for and received a grant to train community members in the identification of illegal dumping and appropriate actions to be taken when it occurs. The training focuses on involvement of the community to prevent illegal dumping. The Health Department also continues to work collaboratively with the community, most notably through active support and participation with the Bayview Hunters Point Health and Environmental Assessment Task Force. Environmental Health staff has a regulatory responsibility to identify illegal operations. They also took the following appropriate steps for abatement:

- Earlier this year, Environmental Health staff filed legal action against a debris box operator who extensively contaminated property on Yosemite Street. The operator deposited tons of asbestos contaminated soil on the property. Last month, a judgment was received against the property owner for $3.5 million, with the help of the City Attorney's office.
- Environmental Health assisted in a multi-agency, Federal/State/Local, Task Force to clean up a waterfront property on Innes Avenue. A total of $300,000 was spent removing solid and hazardous waste from the property.
- Staff has taken action to abate environmental issues at a rock crushing operation on Innes Avenue.
- An existing small boat repair dock on Innes Avenue was brought into compliance with its collection and disposal of hazardous waste.

Mr. Gale indicated that they continue to work with the BVHP Health and Environmental Health Assessment Task Force.

Ms. Karen Pierce, Task Force Program Coordinator, thanked the Commission for recognizing the seriousness of what is going to happen in BVHP in terms of leases on Port property. They are aware that a number of companies are interested in leasing Port property. They are also aware that a number of those companies will be bringing their businesses in support of economic development in the southeast section of the City. The BVHP Health and Environmental Health Assessment Task Force has, as one of its goals, the promotion of responsible economic development. They want to encourage not only job development but development of new businesses in Bayview for Bayview residents but want the development to occur with an understanding of the health and environmental needs of the neighborhood. In supporting the economic development, they recognize that they will have to tolerate additional businesses that bring in toxics or cause pollution. They are, however, concern about how to limit the impact on the neighborhood. Neither their task force nor the redevelopment pack nor any of the organizations that are partners

with the task force are interested in limiting or ending leasing or economic development activities in Bayview. All of them are working to ensure that they see a lot of additional activity in Bayview. However, they are carrying an unbelievable burden.

Their task force is conducting a survey of the neighborhood to determine perceptions, priorities, needs as well as access to health services of the neighborhood. Until they receive some feedback, they cannot present the Commission any specifics about what they consider is needed or not needed in the neighborhood. She urged the Commission to take the lead in setting up a mechanism for ongoing discussions with the community and the stakeholders of the community as businesses apply for leases. This is especially important to allow all parties to take a look at what is being proposed in the Bayview.

Before this meeting, their task force was at the Public Utilities Commission meeting urging them to continue the effort to purchase the power plant and close it down. If they succeed in that, they succeed in lessening air pollution to a considerable degree in the Bayview. If at the same time, the Port Commission leases a property to a cement crushing company that produces the same amount of pollution, they gain nothing. The Port can take a lead in saying that certain activity can occur provided that the company introduce new technologies or must find ways of continuing the activity that reduces the amount of pollution. The task force cannot support activities that are going to do the same thing that they are asking another department in the City to end.

She suggested that the best method of addressing this issue is to set up a mechanism such as communicating with the Port, on a regular basis, to determine which activities are consistent with what they are trying to do in the Bayview. If the activities are not consistent, the task force will have the opportunity to negotiate or offer input to the Port to lessen the burden of toxics, pollution or nuisance in the area. They would like to have a meaningful input into the determination of whose going to be on Port land. She asked the Commission to take a look at #7 of the Principles of Environmental Justice. It states that, "Environmental justice demands the right to participate as equal partners at every level of decision-making including needs assessment, planning, implementation, enforcement and evaluation." She emphasized that they have carried the burden too long. They want to be a partner rather than arguing and forcing any City department to see their point of view. After all, it is their health that is at issue.

Ms. Pierce informed the Commission that she lives and works in the Bayview and walks to work everyday. She sees what she breathes as she walks passed the buildings. There are many businesses and activities in the area that causes problems to the neighborhood and they do not want to see any more. Although she does not know if the clouds of smoke is affecting her health, she and the neighbors feel that it is. They are not concern with the determination of which business or which chemical causes a particular illness but rather with the fact that they have to live

with it which they feel causes those illnesses. They don't think they have to live with that. Their neighborhood is a classic example of a neighborhood that is suffering from environmental injustice. They have the majority of brown field sites in San Francisco. The only way to address this is by making the community a meaningful part of decisions. She urged and invited the Port to become part of their partnership, attend their meetings regularly and set up the proper mechanism so that all parties can work together.

Mr. Florin introduced Byron Rhett, Senior Project Manager from Redevelopment Agency (RDA), who oversees the survey area process for the Bayview Hunters Point.

Mr. Byron Rhett thanked the Commission for the opportunity to address them concerning the planning process for the BVHP survey area. Mr. Rhett mentioned that he was recently appointed project manager for the survey area and he is also the project manager for the Hunters Point Shipyard. The process begun about a year ago with the creation of the BVHP project area committee, 21-member board elected by the BVHP community representing tenants, property owners and various organizations in the community. The organization was created to work closely with the RDA and direct RDA in the creation of a plan for the BVHP area that would be reflective of the needs and concerns of the BVHP residents and businesses.

Mr. Rhett showed the Commission the boundaries for the survey area as noted in the map. The northern boundary for the project area is Cesar Chavez. The western boundary is the freeway. The eastern boundary is the bay and the Hunter's Point Shipyard and goes south to the Cityline. The survey area is approximately 2500 acres. Mr. Rhett noted that assuming the redevelopment plan goes forward, it does not mean that the final boundary lines of the redevelopment plan are the survey lines; it could be smaller. The study area is a larger survey area that they are considering as part of a planning process. For study purposes, the survey area was divided into smaller subareas.

When the planning process begun, the Redevelopment Agency hired the consultant firm of Michael Willis and Associates. They began a process of developing a plan for the concept area. The first effort was to develop an existing condition for the project area to ascertain the type of businesses in the area, the condition of housing and vacancies. They also looked at the issue of blight and what areas are blighted based on their knowledge of the community and based on its specific State Law definition.

The existing condition report was completed. The report focused on the specific subareas within the larger concept plan area. The northwest industrial area is the area along Bayshore Blvd. The western boundary is along Goodman Lumber, which also includes the flower market area. The northeast industrial area, which includes Port property, includes a portion of Pier 80, Piers 90/92, Pier 94/96. It also includes an existing redevelopment area, which includes the India Basin industrial park and the Bayview industrial triangle. The Third Street Town Center focuses

around the opera house and looks at developing a commercial core along Third Street. They will work closely with the proposed Muni Light Rail and try to create some synergy between the Opera House and the proposed improvements along Third Street. The South Basin west and South Basin east are industrial areas located on either side of Third Street, which includes the new police station. Those industrial areas are clustered around the Yosemite area. Innes Avenue is another subarea just outside of the shipyard, beyond the power plant. The 49er Candlestick Mills development is also considered one of the subareas.

Mr. Rhett indicated that for the most part, the other areas that are not included in the subareas are residential, and are not legally blighted and not necessarily action areas. Once the plan is in final form, it may be excluded from the areas as well as from the subareas. As the detailed planning gets underway, they may be excluded from the plan as well.

Mr. Rhett stated that they focused on the northeast industrial area, which includes Port property. They have met with Port staff to begin the process of developing the uses within the plan for the subarea. Shown in the map are industrial uses, consistent with the Port's plan of maritime industrial uses. Included in the preliminary or initial proposal of land uses for the study area is access to the waterfront. They believe that those open space areas can be achieved although public access to the entire perimeter area might not be possible. Much of this area is going to be developed as working maritime.

Under the sponsorship of the citizens advisory committee, starting this summer, they will hold a series of workshop in the community on the various subareas with additional specific topics. Last week they held a workshop on multi-family housing. Tomorrow, there will be a workshop on environmental issues, sponsored by the environmental committee and will also be holding workshops on the various subareas. On August 4, there will be a workshop on the northeast industrial area. They intend to work with Port staff as well as other City departments such as DPW, PUC and City Attorney's office to develop the plans for that area and determine what area would be part of the overall BVHP plan. He provided the Commission a copy of their newsletter, which lists all of the workshops, and the planning process they hope to accomplish.

Through the various workshops, they proposed to have a draft plan completed in September. Another community workshop will be held to review the draft plan based on the other workshops and hope to have a plan in final form by October of this year. They will hire a consultant to develop the environmental impact report for the plan. They hope to be in a position to have Board of Supervisors action on the redevelopment plan by the end of next summer.

Commissioner Brandon asked about the commencement of the development process, assuming the Board of Supervisors approval. Mr. Rhett responded that they intend to start immediately. They have to develop the financial planning documents for the implementation plan. They have to determine what improvements and actions are

necessary to stimulate development in the area. Once the plan is adopted, they will be in a position to start implementation.

Since the redevelopment plans were adopted 25-30 years ago, Mr. Rhett indicated that they intend to establish a phasing plan to determine the starting point. They might have to link the project area with another to provide initial capital. Since India Basin and BVHP generate tax increments, a possibility exists, as part of the financing plan, to link all of the project areas together and use the tax increment from the older projects to jumpstart the new development.

Commissioner McCarthy requested for a copy of the existing conditions report. Mr. Rhett replied that a copy would be provided to the Commission.

Alex Lantsberg, SAEJ Project Coordinator, indicated that SAEJ was formed three years ago when the proposal to build the power plant was raised. The neighbors of the area most immediately affected came together to convince the Board of Supervisors to not allow this sort of activity. SAEJ's mission is to eliminate existing sources of pollution, act as a watchdog to prevent new polluters in the area and to work with Federal, State, Local officials for the clean up of the existing sites. They are concerned about the leases that the Port is negotiating. He agreed with Ms. Pierce's comments in that they are not against economic development. They, however, would like the development to be smart. Smart development means community input and community planning. Smart development means proper attention to the environmental concerns of the community. They don't want to have to trade their environmental health for economic development. They should go hand in hand. They support Ms. Pierce proposed mechanisms for more meaningful community input. He appreciated the Commission's concerns and its willingness to listen. They hope to build upon this initial meeting and ensure that the community takes part in the decisions regarding what happens in their backyard.

Pauline Peele, board member of SAEJ and member of the new Bayview, expressed her concern regarding the impact of new developments to their health and environment. She asked that this be given top priority when the Commission negotiates leases. She also asked the Commission to hold a meeting in their community.

Anne Eng, legal counsel to SAEJ, thanked the Commission for this opportunity and the chance for a dialog. A representative from RMC Lonestar spoke at their task force meeting last month and informed them about a billion dollars worth of construction work in the eastern Bayshore corridor. She noted that there are incredible pressures on the community during this exciting period. The speakers provided information regarding the health and environmental conditions of the community. She highlighted that the asthma rates are not only the highest in the City but the highest in the State. This community is extremely concern about respiratory problem. They are aware that air pollution, specifically particulate emissions are extremely harmful. They cause increase mortality, increased morbidity. They are concerned about the concrete-related activities in the area. The

Geneva Towers' debris is being brought over to Port property for crushing. The Port currently has crushing operations and other businesses want to site new activities. They are aware that all of this is incredibly valuable and necessary. However, they don't want to truck in concrete from other parts of the State. She emphasized that we need to control the particulate emissions in this particular corridor otherwise there will be increased hospitalization rates.

Ms. Eng suggested that the Port not only form a mechanism but to create a special fund to finance the development very effective mitigation measures for particulate emissions. These mitigation measures, however, are not easily identifiable. Money must be committed to work out technical solutions to keep the pollution down not only from stationary sources but as well as from mobile sources. They have had discussions with the Port and City Planning regarding the bottleneck that would occur at the Third Street Cargo Way area during the construction of the Third Street Rail and other major developments. There will be incredible increase in diesel emissions in the area. She thanked the Commission for the dialog and urged the Commission to think about a financial mechanism in order to reach an effective solution.

Commissioner McCarthy thanked the public speakers, particularly the representatives from the Public Health and Redevelopment Agency for their thorough reports.

4. MARITIME

A. Approval of Marine Terminal Agreements for Blue Star (North America) and Columbus Line USA, Inc. at Pier 80. (Resolution No. 98-56)

Mr. Peter Dailey, Maritime Director, indicated that the Port and its Pier 80 terminal marketing partner, Marine Terminal Corporation, have concluded negotiations for a 5-year marine terminal agreements with Blue Star (North America) and Columbus Line USA, Inc. for use of Pier 80 as their Northern California port of call. Blue Star (North America) and Columbus Line USA, Inc. offer a joint service between the U.S. West Coast and Australia, New Zealand, Fiji and Tahiti. Their vessels will make weekly calls at Pier 80 with their first vessel call expected on June 25, 1998. With the Commission's approval, the lines will make San Francisco their first U.S. port of call on their northbound leg of their schedule.

Mr. Dailey indicated that currently both of lines don't have vessels calling Northern California. Instead their ships call Southern California and cargo is trucked between the Bay Area. It is estimated that, upon approval of these agreements, the lines will generate annually 52 vessel calls and 9,000 container units in volumes to the Port. While they offer a joint service, they have elected to sign separate Marine Terminal Agreements for each of their companies.

The material provisions of the agreements include the following: (1) five year term,

commencing on June 25, 1998, with the ability for either party to terminate on July 1st of each year; (2) wharfage rates based on a per unit charge that decreases as cargo volume increases; and (3) dockage rates offering a 40% discount from the Port's Tariff No. 4.

The Agreements contain an indemnity whereby Blue Star (North America) and Columbus Line USA, Inc. agree to indemnify the Port and the City for claims resulting from its acts or omissions at the facility. The Port's standard exculpation clause, under which the carrier waives all claims against the Port and the City including claims due to the Port's or City's negligence, has been deleted from these Agreements pursuant to Blue Star (North America) and Columbus Line USA, Inc.'s request. In addition, Blue Star (North America) and Columbus Line USA, Inc. have requested an indemnity from the Port and City against claims caused by the Port or City's negligence. The City's Charter requires any indemnities by the City or Port to be approved by the Board of Supervisors. The Agreements provide that upon approval by the Board, parties will sign an amendment to the Agreements to include the Port and City's indemnity. If the Board disapproves the indemnity, Blue Star (North America) and Columbus Line USA, Inc. may terminate their Agreements upon 30-days prior written notice.

Estimated annual revenue for the agreements is approximately $600,000 from wharfage, dockage and crane rental. These revenues will be shared with Marine Terminals Corporation, per our management agreement. This new business is a shot in the arm to our maritime division. These are the two of the largest, most prestigious shipping companies in the world. It sends a serious message to the world's shipping community that the Port is serious about being a transportation link in the global economy.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-56 was adopted.

5. REAL ESTATE AND ASSET MANAGEMENT

6. FACILITIES & OPERATIONS

A. Authorization to award Construction Contract No. 2645, "Pier 50 Parking Shelters and Wash Area Containment" to the apparent and responsive low bidder, Kin Wo Construction, at a contract price of $514,428, plus a 10% construction contingency and authorizes the Executive Director to accept the contract work upon completion. (R10esolution No. 98-57)

Mr. Alex Lee, Director of Facilities & Operations, gave the Commission a drawing of the new shelter location. He indicated that the item before the Commission is to authorize staff to award Contract No. 2645, "Pier 50 Parking Shelters and Wash Area Containment" to the apparent and responsive low bidder, Kin Wo

Construction. This is the third of four contracts to improve Pier 50. The first contract was for the heating and ventilation of the facility, which is almost completed. The second is for the roofing repair work to Shed C and Shed A, also close to completion. This contract is for the installation of three parking shelters. Staff recently advertised Contract 2645, "Pier 50 Parking Shelters and Wash Area Containment Project," and received three bids. Kin Wo Construction, a San Francisco certified MBE/WBE, submitted the responsive low bid with a bid price of $514,428.

Funds are available for this work. Staff recommends that the Commission authorize the award of construction Contract No. 2645 to Kin Wo Construction at a contract price of $514,428, authorize a 10% construction contingency and authorize the Executive Director to accept the work upon completion.

Commissioner Brandon stated that the Port is getting a good deal based on the bid. Mr. Lee indicated that the contractor has a good reputation. They have done prior work at the Port and other City departments.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-57 was adopted.

B. Authorization to reject all bids on Construction Contract No. 2617, "Pier 47A Reconstruction." (Resolution No. 98-58)

Mr. Alex Lee, Director of Facilities & Operations, indicated that on May 21, 1997, the Port received bids for Contract No. 2617, Pier 47A Reconstruction Project." The Port received seven bids ranging from $977,825 to $1,000,668.

It has been standard practice for staff to apply a 10% contingency for construction contracts. Applying this 10% contingency to the low bid of $977,825 results in required funding of $1,075,067.50. This leaves a funding shortfall of $262,858.50 and additional funds are not available at this time. The Port therefore has no choice but to reject all bids and seek alternatives for the reconstruction of Pier 47A. Staff is working with Caltrans and the City Attorney's office to see if Port staff can perform some of the demolition and utility work. If this is possible, staff will be able reduce the scope of work and reissue the bid. He asked for the Commission's authorization to reject all bids for Contract No. 2617.

Commissioner McCarthy asked when staff anticipates coming back to the Commission for rebid. Mr. Lee responded that Caltrans does not oppose the idea of having Port staff perform part of the work. Port staff is waiting for that confirmation from Caltrans. Mr. Lee is also working with the City Attorney's office to ensure compliance with City's Administrative Code. The Port can be a bidder to the project. Commissioner McCarthy asked if Port staff has the capability of performing some of the tasks. Mr. Lee stated that staff has the capability of

doing some of the demolition and lighting improvement work but does not have the capability to perform the entire project.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-58 was adopted.

7. PLANNING & DEVELOPMENT

A. Authorization to extend Professional Services Contract No. CTP0944005-01 with Public Affairs Management for the Ferry Building Rehabilitation Project until December 31, 1999 and authorize Contract Modification No. 2 for additional environmental and historic preservation consulting services in an amount not to exceed $72,000. (Resolution No. 98-59)

Mr. Paul Osmundson, Director of Planning and Development, indicated that the Port executed a professional services contract with Public Affairs Management in 1994 for federal and state environmental review of the Ferry Building Renovation Project. The project was funded with a grant from the Transportation Enhancement Activities (TEA) fund. Staff has subsequently received another grant from the Federal Transit Administration. Public Affairs Management has completed a draft environmental assessment and initial study report.

Port staff worked with the San Francisco Planning Department's Office of Environmental Review and the State Historic Preservation Officer to further the environmental and historic preservation review for this project, and have made substantial progress in completing preliminary drafts for these documents. However, the two agencies made extensive comments. The Port required further environmental services to respond to final San Francisco Planning Department, State and Federal agency comments for the Ferry Building environmental and historic preservation analysis, produce final reports and provide for environmental and preservation monitoring, reporting and coordination.

Mr. Osmundson requested that the term of the contract be extended through December 31, 1999, in order to complete the environmental and historic preservation review and provide additional environmental consulting services the Port may require once a developer is selected for exclusive negotiations. These services include responding to public comments from citizens, organizations and other public agencies and preparing additional documentation and reports at the direction of the Port.

To accomplish the above-identified tasks, Port staff seeks the following changes in the consultant's work scope:

- Respond to San Francisco Planning Department final comments and prepare a draft Initial Study/Environmental Assessment (IS/EA) and related

environmental, historic preservation and other documents for review by citizens, organizations and other public agencies;

- Attend up to three public hearings on the project, draft IS/EA and related documents;
- Prepare and assist in environment and preservation monitoring, reporting and coordination; and
- Provide additional services as directed by Port staff including evaluation and documentation of any modifications to the Ferry Building Rehabilitation Project which involve environmental or historic preservation issues.

This contract modification would increase the contract amount by $72,000 for a total of $306,121.09. Public Affairs Management is a certified local, DBE and a Port tenant as well. The Disadvantaged Business Enterprise (DBE) participation goal for this contract of 32% will be met as part of this amendment. The additional cost of this contract amendment will be fully funded from the existing Federal Transit Administration $1 million grant.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-59 was adopted.

8. FINANCE & ADMINISTRATION

A. Authorization to award the contract for FEMA/OES pre-audit review services to Kermani Consulting Group. (Resolution No. 98-60)

Mr. Ben Kutnick, Director of Finance and Administration, requested for the Commission's approval to authorize award of the contract to Kermani consulting group for pre-audit review services. The Port received two proposals. The selection panel unanimously selected Kermani because of their experience. Mr. Kutnick mentioned that Mr. Kermani, the principal of the group, was formally employed by State OES. Mr. Kermani has also written a majority of the damage survey reports (DSRs) for the Port. He is familiar with the State OES and FEMA process, regulations, requirements and with the issues that the Port is facing. He believed that this is advantageous to the Port.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-60 was adopted.

9. CONSENT CALENDAR

10. NEW BUSINESS / PUBLIC COMMENT

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 5:25 p.m., the Commission Secretary announced that the Commission will withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Port property located at Pier 27
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning and Development
Bladium: Brad Shook, President

An executive session has been calendared to discuss real property negotiations between the Port and Bladium regarding Port property located at Pier 27.

12. RECONVENE IN OPEN SESSION

At 6:40 p.m., Commissioners McCarthy, Brandon and Hardeman returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in the executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:40 p.m.

M. Delmendo
Commission Secretary

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NOTICE OF CANCELLATION

THE REGULAR PORT COMMISSION MEETING SCHEDULED FOR
TUESDAY, JULY 14, 1998 AT 4:00 P.M.
IS HEREBY CANCELLED

♦♦♦♦♦♦♦♦

A SPECIAL PORT COMMISSION MEETING
IS SCHEDULED FOR

THURSDAY, JULY 16, 1998
at 4:00 P.M.

in the Port Commission Room
Suite 3100, Ferry Building
San Francisco, CA 94111
(415) 274-0406

DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 - 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING – (PLEASE NOTE THE DATE & TIME OF THE MEETING)
4:00 P.M., THURSDAY, JULY 16, 1998
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

DOCUMENTS DEPT.
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AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - June 23, 1998 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **MARITIME**

   A. Approval of a three-year lease with Kai Enterprises, Inc. for use of Pier 50, Shed A, as a maritime cargo export facility. (Resolution No. 98-61)

5. **REAL ESTATE**

   A. Approval of one three-year lease with Aadvark Storage Unlimited, a California corporation doing business as American Storage Unlimited for 127,704 square feet of paved land, located at Seawall Lot 344 on Amador Street at Cargo Way, and one nine-month lease for 96,546 square feet for use as a mini-storage facility. (Resolution No. 98-67)

   B. Approval of additional uses and consent to sublease between Crowley Marine Services, Inc. and Rudolph Menzel doing business as Pier 66 San Francisco Small Boat Center for premises located at Pier 54. (Resolution No. 98-68)

6. **FACILITIES & OPERATIONS**

   A. Authorization to award the construction management consultant services contract for the Downtown Ferry Terminal project to the San Francisco Port Management Consultants, a joint venture between Rust Environmental and Infrastructure and the Jefferson Company. (Resolution No. 98-64)

   B. Authorization to modify contract amount for the design of the wetlands and public access enhancements at Pier 98. (Resolution No. 98-65)

C. Authorization to award construction Contract No. 2653, "Maintenance Dredging for Pier 35 East" to Dutra Dredging Company. (Resolution No. 98-66)

7. PLANNING & DEVELOPMENT

8. FINANCE & ADMINISTRATION

9. CONSENT CALENDAR

A. Approval of month-to-month lease with Express Services Guaranteed, Inc. for storage space located in the Ferry Building. (Resolution No. 98-62)

B. Approval of three-year lease with King's Fine Arts and Antiques for shed space at Pier 29 (The Embarcadero at Sansome Street). (Resolution No. 98-63)

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

An executive session has been calendared to instruct the real estate negotiator regarding responses received to the Request for Proposal.

b. Property: Port property
Person Negotiating:
Port of San Francisco: Mark Lozovoy, Senior Property Manager

*RMC Lonestar: Eric Woodhouse, Executive Vice President

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations between the Port and RMC Lonestar regarding Port property.

c. Property: Port property located at Mission Bay bordered by Illinois Street and Terry Francois Blvd. and Mission Rock Street
Person Negotiating:
Port representative: Paul Osmundson, Director of Planning & Development
*Catellus Representative: Doug Stimpson, Vice President and CFO

Under Negotiation: ____ Price ____ Terms of Payment _X_ Both
An executive session has been calendared to discuss real property negotiations between the Port and Catellus, regarding the property located at Mission Bay.

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
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wwwsfport.com

MEMORANDUM

July 8, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **APPROVAL OF THREE -YEAR LEASE WITH KAI ENTERPRISES, INC FOR PIER 50, SHED A , FOR USE AS A MARITIME CARGO EXPORT FACILITY.**

DIRECTOR'S RECOMMENDATION: Approve three-year lease with Kai Enterprises for use of Pier 50, Shed A.

Background:
Port staff has concluded negotiations with Kai Enterprise, Inc. for a three-year lease for Pier 50, Shed"A" for use as an animal feed export facility. Kai Enterprises has been using Pier 50 since October 1997 under a License Agreement. Kai Enterprises is a joint venture between Limex, Inc., a California Corporation and Kanematsu USA, the U.S. subsidiary of Kanematsu, a leading Japanese trading company.

Limex, Inc. had operated a similar facility on Port property in the early 1990's but closed it with the departure of most of our shipping business. However, with the recent resurgence of shipping lines returning to the Port, they have formed a joint venture company with Kanematsu USA, and have reopened their business in San Francisco. Estimated revenue from the three-year lease is $664,000.00

Terms and Conditions:
The lease is for three years, commencing on August 1, 1998 and terminating on July 31, 2001, unless earlier terminated in accordance with the provisions of the lease, as recapped below. The Tenant will occupy approximately 71,876 square feet of the shed space at Pier 50, Shed "A", and will only use the premises to store and compress animal feed products for loading into ocean containers.

THIS PRINT COVERS CALENDAR ITEM NO. **4A**

Early Termination:
The Tenant may terminate the lease early upon sixty (60) days prior written notice to the Port. The lease also contains the Port's standard 4.2 clause allowing the Port to terminate the lease upon six (6) months prior written notice.

Base Rent:

Year 1	$16,531.48 per calendar month
Years 2 and 3	$19,406.52 per calendar month

The rental rates, while below Port Commission approved parameters for commercial real estate rentals of Port property, are comparable to rate levels for maritime cargo warehousing at other local ports.

Prepared by: Peter A.Dailey, Director of Maritime

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **98-61**

WHEREAS, Charter Section B 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section B 3.581(g) leases and franchises granted or made by under the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Kai Enterprise, Inc. desires to enter into a three-year lease agreement with the Port for the use of Port's Pier 50, Shed "A"; and

WHEREAS, said use is for as an animal feed export facility which will provide a resource for the Port's shipping lines and further stimulate the maritime economy; now therefore, be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the Executive Director to enter into the lease with Kai Enterprises, Inc. on terms set forth in the memorandum for this item, a copy of which is on file with the Secretary of the Port Commission, and to execute documents effecting said lease on behalf of the Port, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
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Fax 415 274 0528
wwwsfport.com

MEMORANDUM

July 13, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of (1) a three-year lease for 127,704 square feet of paved land, and (2) a nine-month lease for 96,546 square feet of paved land, with Aardvark Storage Unlimited, a California corporation doing business as American Storage Unlimited, located at Seawall Lot 344 on Amador Street at Cargo Way, for use as a mini-storage facility. (Resolution 98-67)

DIRECTOR'S RECOMMENDATION: APPROVE LEASES

BACKGROUND

Aardvark Storage Unlimited (herein "ASL") proposes to lease a total of 224,250 square feet (5.14 acres) of paved land at Seawall Lot 344 located on Amador Street off Cargo Way for use as a mini-storage facility with placement of temporary storage containers, office trailer and vehicle parking. ASL initially needs 127,704 square feet (2.9 acres) to move its current facility from 6th Street, and it wants the opportunity to expand into the additional 96,546 square feet (2.21 acres) after it has obtained financing. Accordingly Port staff has negotiated the terms and conditions of two proposed leases, as outlined below, and both leases fall within all leasing parameters except that the use is a "change of use" from the previous uses at the site. The site has been used in the most recent past as a staging area for rail cars and other light industrial uses. Port Commission policy requires that the Port Commission approve any lease providing for a use which is a change of "like-kind"use from the existing or immediately prior use of the facility. Because the site affected by the proposed lease has been used for light industrial uses, ASL's mini-storage facility would constitute a change of "like- kind" use from the existing or immediately prior use of Seawall Lot 344.

Port staff has determined that ASL's proposed use falls within the parameters of the Port's authority to issue a general rule exclusion because the cost of improvements is minimal and there will not be a substantial intensification of the use. Accordingly, environmental review by the City and County of San Francisco Planning Department, Office of Environmental Review (OER) is not necessary.

THIS PRINT COVERS CALENDAR ITEM NO. 5A

Proposed Lease Terms: The fundamental business terms are set forth below:

Lease 1 (No. L-12627):

1. **Premises**: 127,704 square feet (2.9 acres) of paved land located at Seawall Lot 344 on Amador Street off Cargo Way. A Site Plan of the Premises is attached to this Agenda Summary as Exhibit A.

2. **Term**: Three (3) years commencing December 1, 1998 and terminating on November 30, 2001. Tenant has the right to enter the premises on November 1, 1998 in order to install fencing, landscaping, electrical and other improvements.

3. **Use**: mini-storage facility consisting of temporary placement of storage containers, office trailer and vehicle parking.

4. **Base Rent**: $22,987.00 per calendar month ($.18 cents per square foot per month), $275,844.00 per year.

5. **Rent Commencement**: December 1, 1998

6. **Rent Credits**: None

Lease 2 (No. L-12628):

1. **Premises**: 96,546 square feet (2.21 acres) of paved land located at Seawall Lot 344 on Amador Street off Cargo Way. A Site Plan of the Premises is attached to this Agenda Summary as Exhibit A.

2. **Term**: Nine (9) months commencing February 1, 1999 and terminating on October 31, 1999. Tenant has the right to enter the premises on January 1, 1999 in order to install fencing, landscaping, electrical and other improvements.

3. **Use**: mini-storage facility consisting of temporary placement of storage containers, office trailer and vehicle parking.

4. **Base Rent**: $17,378.00 per calendar month ($.18 cents per square foot per month), $208,536.00 per year.

5. **Rent Commencement**: February 1, 1999

6. **Rent Credits**: None

The combined annual revenue from the two leases is $484,380.00.

Prepared by: Jennifer Sobol, Commercial Property Manager, Leasing

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-67

WHEREAS, Charter Section B3.581 empowers the Port commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, Port Commission approval is being sought for Lease No. L-12627 and Lease No. L-12628 between the Port and Aardvark Storage Unlimited, a California corporation doing business as American Storage Unlimited ("ASL"), the terms of which leases are set forth in the Memorandum of Agenda Item 5A for the Port Commission meeting of July 16, 1998; and

WHEREAS, ASL desires to lease a total of 224,250 square feet of paved land at Seawall Lot 344 on Amador Street at Cargo Way for a mini-storage facility; and

WHEREAS, the site was previously used as a staging area for rail cars and other light industrial uses and ASL's proposed use of the site constitutes a change of "like-kind" use from the previous uses at the site; and

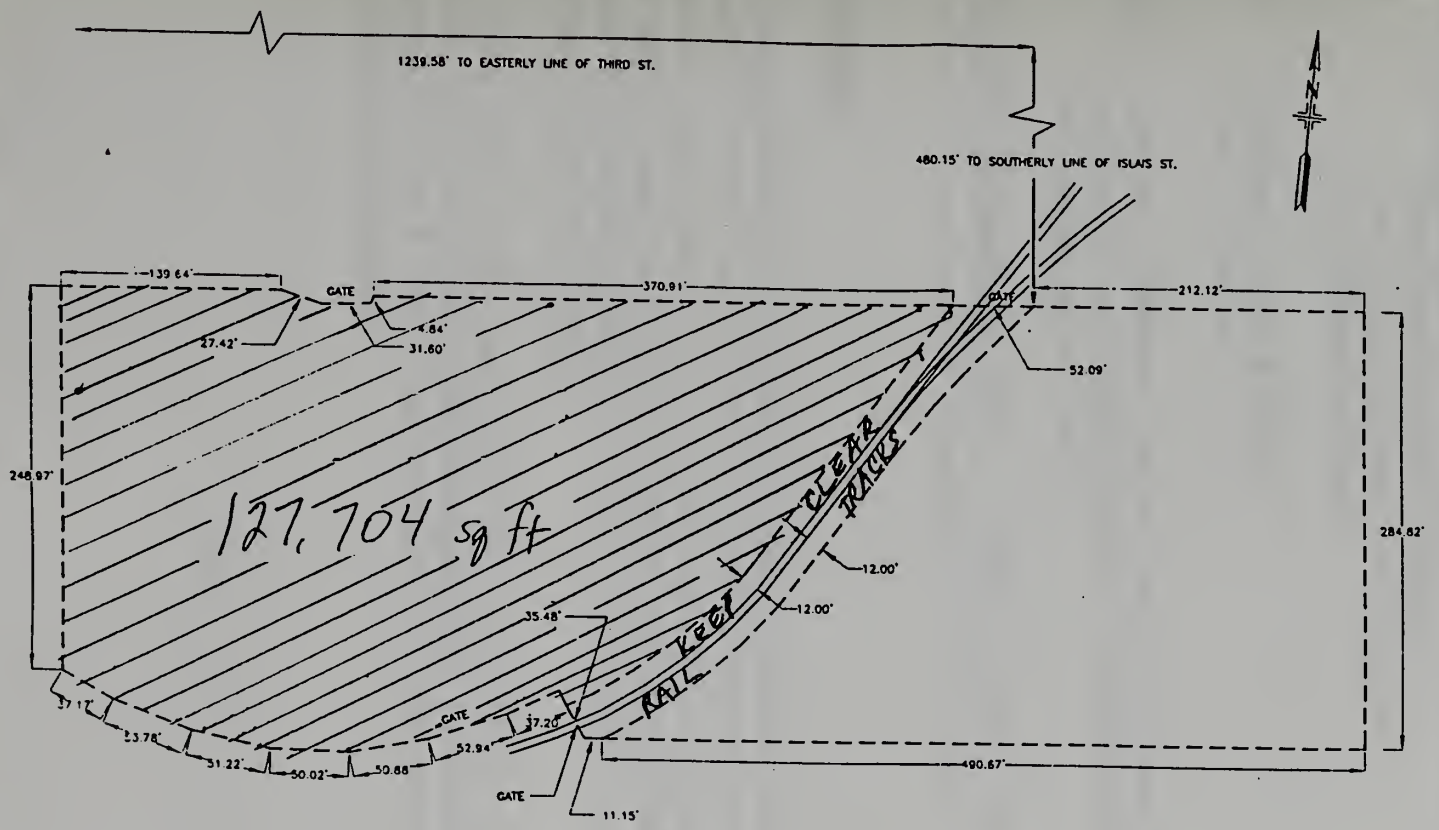
WHEREAS, The City and County of San Francisco Planning Department, Office of Environmental Review (OER) has determined that the project is exempt from environmental review under the California Environmental Quality Act (CEQA) because the cost of improvements is minimal, there will not be a substantial intensification of the existing uses, and it can therefore be seen with certainty that no possibility exists that the project may produce significant environmental effects; now, therefore, be it

RESOLVED, that the Port Commission hereby approves Lease No. L-12627 and Lease No. L-12628 between the Port and ASL incorporating the business terms set forth in the Memorandum for Agenda Item 5A for the Port Commission meeting on July 16, 1998, and authorizes the Executive Director or his designee to execute the Leases, and to take such further action as may be required to implement the Leases.

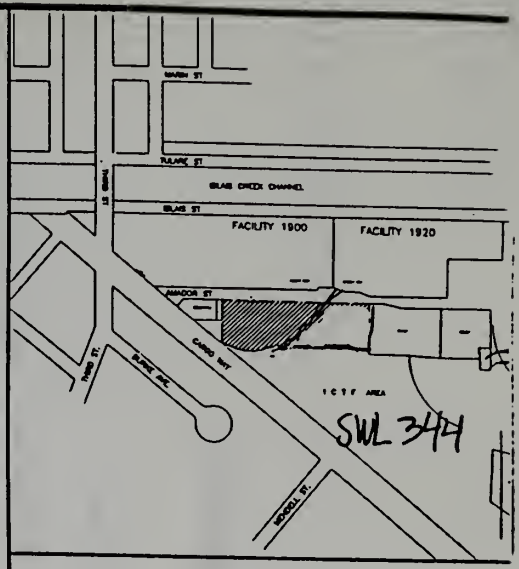
I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

EXHIBIT A



RAILROAD EASEMENT AREA = 11,757 SQ. FT.



SITE PLAN
NO SCALE

INITIALS: Port ____ Tenant ____

Lease No. L-12620	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO	TENANT: AARDVARK STORAGE UNLIMITED, INC., a California corporation	DRAWN BY: ECC DATE: JUN 30, 1998 CHECKED BY: AMN/HSK SCALE: NONE PLACE CODE NO. 2020-0-2020 SHEET NO. OF SHEETS

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
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wwwsfport.com

MEMORANDUM

July 9, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Additional Uses and Consent to Sublease Between Crowley Marine Services, Inc. and Rudolph Menzel d.b.a. Pier 66 San Francisco Small Boat Center, for Premises Located at Pier 54

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

Crowley Marine Services, Inc. ("Crowley") has been the tenant at Pier 54 since July 1, 1993 under Port Lease No. L-11750. The Lease has a term of fifteen (15) years with two (2) five-year options for operations which include: berthing of vessels and barges; water taxi service; engineering and machine shop to support marine operations; general maintenance of equipment and vessels; and administrative and purchasing functions. Crowley's current Base Rent is $22,148.40 per month, which equates to $265,780.00 annually.

When Crowley entered into this Lease, the objective was to consolidate the entire San Francisco Bay operation to Pier 54. At the time, the engineering shop, ferry maintenance and water taxi services were operated out of Pier 9. Crowley's administrative, purchasing, and tug and tow operations were located in Oakland and Alameda.

THIS PRINT COVERS CALENDAR ITEM NO. 5B

Crowley invested approximately 2.1 million Dollars in pier improvements to accommodate its proposed uses at Pier 54. The improvements included the installation of a new fendering system and upgrade of the offices and shed. Additionally, portions of the deck were rebuilt and paved, and a new sewer line installed.

In October 1996, Crowley ceased its "harbor work" operations on San Francisco Bay, which consisted of ship assist, tug and tow, and water taxi activities. In June of 1997, Crowley sold its last remaining water related operation on San Francisco Bay, which was the Red & White Fleet. Aside from a small office operation, Pier 54 has been vacant ever since.

Crowley's projected expenses for 1998 related to the operations of Pier 54 are approximately $58,200 per month ($698,400 per annum) which includes: rent to the Port, amortization of improvements, insurance, possessory interest tax, brokerage fees, maintenance, and utilities. A budget prepared and submitted by Crowley is attached hereto as Exhibit B.

In April 1997, Crowley hired Grubb & Ellis Real Estate Brokerage Company to assist in finding a subtenant for Pier 54. Grubb & Ellis has worked diligently to find a suitable maritime subtenant for the facility, which has been very difficult. Crowley has since received a proposal from Rudolph Menzel ("Menzel") to sublease the entire Pier 54 premises for the purposes of operating a small boat building and repair facility. Menzel currently operates the Pier 66 San Francisco Small Boat Center under Port Lease #L-11643. Menzel's proposal would require the Port to approve additional uses related to the operation of a small boat building and repair facility.

The Port Commission is being asked to approve additional uses which relate to the operation of a small boat building and repair facility and to consent to a sublease between Crowley and Menzel. The proposed additional uses and conditions to Port's consent to a sublease between Crowley and Menzel are set forth in Exhibit A, which is attached hereto.

Port staff and the City Attorney's office have reviewed the sublease. The basic terms of the proposed Sublease agreement are discussed below:

PROPOSED SUBLEASE TERMS

1. **Premises**: Approximately 116,000 square feet of pier space and approximately 181,500 square feet of water space and all improvements therein as more particularly described in Exhibit C attached hereto.

2. **Term**: Sublease shall commence upon Port Commission approval and terminate on June 30, 2008, unless terminated for cause by sublessor.

3. **Use**: Small boat building, repair, storage, maintenance and berthing facility.

4. **Base Rent**: $34,000.00 per calendar month during the first five years of the term, increasing to $40,000.00 during the remainder of the term. During the first nine (9) months of the lease term, rent shall be calculated as follows:

Months	Rent
1 – 3	25% of base rent
4 – 6	50% of base rent
7 – 9	75% of base rent
Thereafter	100% of base rent

5. **Wharfage**: Sublessee shall pay directly to the Port of San Francisco wharfage for similar charges required by the San Francisco Port Commission tariff or other requirement.

Pursuant to the Lease, any net profits from subleasing shall be shared with the Port receiving 60% and Crowley 40%.

Prepared by: Mark Lozovoy, Senior Property Manager

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-68

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section 3.581 (g) leases granted or made by the Port Commission shall be administered exclusively by the operation forces or the Port Commission; and

WHEREAS, the Port and Crowley Marine Services, Inc. are parties to Lease L-11750 dated as of March 11, 1993; and

WHEREAS, the Port has the right to approve or disapprove, for reasonable grounds, a change of use and sublease of the Premises, and

WHEREAS, Port Commission approval is being sought for the approval of additional uses and Consent of Sublease with Rudolph Menzel d.b.a. Pier 66 Small Boat Center for a Sublease of Pier 54; now, therefore, be it

RESOLVED, that the Port Commission hereby approves the additional uses outlined in Exhibit A subject to satisfaction and compliance with those conditions attached hereto as Exhibit A; and

RESOLVED, that the Port Commission hereby consents to Sublease between Crowley Marine Services, Inc. and Rudolph Menzel d.b.a. Pier 66 San Francisco Small Boat Center incorporating the business terms set forth in the Memorandum for Agenda Item 5B on July 16, 1998 and authorizes Executive Director or his designee to execute the Consent of Sublease and to take such further action as may be required to implement the Sublease.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

EXHIBIT A

Proposed Additional Uses and Conditions to Port Approval of Sublease between Crowley Marine Services, Inc. and Rudolph Menzel d.b.a.: Pier 66 San Francisco Small Boat Center.

(Attachment to Resolution No. 98- 68)

1. Additional Uses.

The following are permitted as additional uses under Port Lease No. L-11750 ("Lease") between Port and Crowley Marine Services, Inc., only for so long as the sublease between Crowley and Menzel is in effect:

1. Boat building, sail and canvas repair.
2. Boat and marine supply sales and service stores contained within the existing improvements.
3. Workshops for marine related businesses contained within the existing improvements and Section 6.1 (f) of the Lease would not be limited to the reconditioning of diesel power packs.
4. Private meeting room for marine-related businesses using the facility, including beer and wine sales, limited to one of the existing break room areas and limited to no more than 1,000 square feet.
5. Container self-storage within the outdoor pier area for use by Pier 54 marine subtenants only.
6. Berthing and mooring of pleasure craft and general commercial boats and barges. Tenant shall be required to obtain written approval from the Port's Executive Director, or his/her designee, prior to berthing commercial ships, which consent may be withheld by Port in its sole discretion.

2. Storm Water Pollution Prevention. Tenant shall:

(a) Use booms, oil-absorbent pads and other pollution-control devices as may be required by the Port or any governmental agency having jurisdiction over such matters, necessary to prevent storm water run-off into the Bay; and

(b) File a Notice of Intent (NOI) to be covered by the General Industrial Activities Storm Water Permit ("General Permit") issued by the State Water Resources Control Board; develop and implement a Storm Water Pollution Prevention Plan (SWPPP) in compliance with the General Permit; and develop and implement a yearly monitoring program in accordance with the General Permit.

3. Tenant's Environmental Condition Notification Requirements.

(a) Notification of Any Release or Discharge. Tenant shall immediately notify Port in writing of any release or discharge of any Hazardous Materials, whether or not

the release is in quantities that would be required under the law the reporting of such release to a governmental or regulatory agency.

(b) Notification of Any Notice, Investigation, or Claim. Tenant shall also immediately notify Port in writing of, and shall contemporaneously provide Port with a copy of:

(i) Any written notice of release of hazardous materials (as defined in the Lease) in the Premises that is provided by Tenant or any subtenant or other occupant of the Premises to a governmental or regulatory agency;

(ii) Any notice of a violation or a potential or alleged violation, of any applicable environmental law that is received by Tenant or any subtenant or other occupant of the Premises from any governmental or regulatory agency;

(iii) Any inquiry, investigation, enforcement, cleanup, removal, or other action that is instituted or threatened by a governmental or regulatory agency against Tenant or subtenant or other occupant of the Premises and that relates to the release or discharge of hazardous materials on or from the Premises;

(iv) Any claim that is instituted or threatened by any third party against Tenant or any subtenant or other occupant of the Premises and that relates to any release or discharge of hazardous materials on or from the Premises; and

(v) Any notice of the loss of any environmental operating permit by Tenant or any subtenant or other occupant of the Premises.

(c) Failure to Comply. Failure to comply with this Clause shall constitute a material default under the Lease Agreement. In the event of such default, Port shall have all rights available under the Lease Agreement and at law or equity including, without limitation, the right to either:

(i) Terminate the Lease Agreement and collect damages Port incurs as a result of such default, including, without limitation, cleanup costs incurred by Port resulting from the cleanup of any hazardous materials released into the Premises, soil, or groundwater; or

(ii) Require the cleanup of such hazardous materials at the Tenant's sole expense while still enforcing the remaining terms and obligations of the Lease Agreement.

(d) Survival. The obligations within this Section shall survive the expiration or earlier termination of the Lease Agreement.

4. Mitigation Measures.

Tenant hereby acknowledges the receipt of Subsections F (Air Quality) and J (Hydrology and Water Quality) of Section VI (Mitigation Measures) of the Port of San Francisco

Waterfront Land Use Plan Final Environmental Impact Report, 994.155E (State Clearinghouse No 94123007) (Final Certification Date: January 9, 1997) copies of which are attached hereto as Attachment 1 and incorporated herein by their reference. Tenant shall comply with such air quality and hydrology and water quality mitigation measures as from time to time may be applicable to Tenant's use of the Premises. Without limiting the foregoing, prior to commencing operations at the Premises, Tenant shall submit a dust abatement program to Port staff for its review and approval in accordance with said mitigation measure F-1 of said Subsection F and Tenant shall comply with such approved program during the Term of this Lease.

5. **Acknowledgement.**

Prior to execution of sublease between Crowley Marine Services, Inc. and Rudolph Menzel d.b.a.: Pier 66 San Francisco Small Boat Center, and as a condition to the effectiveness of the consent granted in Port Resolution [98-68], Tenant shall acknowledge its agreement to comply with all of the foregoing conditions, by signing below.

By signing below, Tenant further agrees that the breach of any of the terms and conditions of this Exhibit A shall constitute a material breach under the Lease, and shall entitle Port to its remedies set forth therein.

Acknowledged and Agreed:

"TENANT"

_____

Alan Zurawski
Vice President
Crowley Marine Services, Inc.

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City and County of San Francisco
Planning Department

PORT OF SAN FRANCISCO WATERFRONT LAND USE PLAN

Final Environmental Impact Report

94.155E
State Clearinghouse No. 94123007

Draft EIR Publication Date: May 24, 1996
Draft EIR Public Hearing Date: July 11, 1996
Draft EIR Public Comment Period: May 24, 1996 to July 24, 1996
Final EIR Certification Date: January 9, 1997

Changes from the text of the Draft EIR are indicated by solid dots (●) at the beginning of each revised section, paragraph, graphic or table.

This report has been prepared on post-consumer recycled paper.

ATTACHMENT 1

- Project designs should incorporate noise reduction and insulation features to minimize traffic noise impacts from the Bay Bridge. (*Development Standards, Rincon Pier Mixed Use Opportunity Area*)

IMPROVEMENT MEASURES IDENTIFIED IN THIS REPORT

No significant noise impacts have been identified. The following measures could reduce noise that may be of concern.

1. To reduce construction noise impacts, the Port should require construction contractors to limit noisy construction activities to the least noise-sensitive times of day and week if feasible (e.g., 7:00 a.m. to 6:00 p.m., Monday through Friday).

2. Prior to noisy construction activity (i.e., pile driving), contractors should notify and meet with neighboring residents and business occupants to inform them of dates, hours, and duration of such activities so that these parties might plan their activities accordingly.

3. Procedures with the highest noise potential should be scheduled for the times when the ambient noise levels are highest when feasible (i.e., during peak commute hours).

4. For work in areas containing noise-sensitive uses, contractors should be required to employ the quietest among alternative construction equipment or to muffle/control noise from available equipment.

5. The Port should require developers of all new residences and hotels in the Project Area to perform project-specific noise analysis, to ensure that adequate noise reduction and insulation features are in the building designs as required by the San Francisco Master Plan.

6. Development of breakbulk cargo facilities at Piers 48 and 50 could include incorporation into facility design noise barriers (berms and/or sound walls) to reduce potential noise impacts at planned open space and residences in the Mission Bay project area. Noise barrier mitigation at Piers 94 and 96 would likely result in secondary visual impacts (view blockage from Pier 98 wetlands due to the height of barriers that would be required) and is therefore not recommended. Generally, berms and/or sound walls could reduce noise but may not be feasible for the types open space envisioned within or near the Project Area (e.g., wetlands, public parks). It would generally not be feasible to place noise barriers around open spaces themselves without substantially reducing their visual, recreational, and/or habitat value.

F. AIR QUALITY

MEASURES IDENTIFIED IN THIS REPORT

F-1. Construction contractors could be required by the Port to implement a dust abatement program to reduce the contribution of project construction to local PM_{10} concentrations. Elements of this program should include the following:

- Water internal roadways on unpaved lots under construction just prior to the morning and evening peak traffic periods (to limit the potential for major roadway traffic to entrain dust), limit speeds to 10 mph, and sweep paved internal roads after the evening peak period.

- In addition, water active sites (e.g., where major earthwork is underway) as appropriate. Increase the frequency of watering when wind speeds exceed 15 miles per hour. Suspend all excavating and grading operation when instantaneous gusts exceed 25 miles per hour.

- Replace ground cover in disturbed areas as quickly as possible.

- Enclose, cover, water twice daily, or apply soil binders to exposed stockpiles of sand, gravel, and dirt.

- Sweep adjacent City streets at the end of day if any visible soil material is carried over to adjacent thoroughfares.

- Cover all trucks hauling dirt, sand, soil, or other loose materials. Maintain at least six inches of freeboard between the top of the load and the top of the trailer.

- Sweep up dirt or debris spilled onto paved surfaces immediately to reduce resuspension of particulate matter through vehicle movement over these surfaces.

- Designate a person or persons to oversee the implementation of a comprehensive dust control program and to increase watering, as necessary.

- Maintain and operate construction equipment so as to minimize particulates from exhaust emissions. During construction, require contractors to operate trucks and equipment only when necessary. Equipment should be kept in good condition and well-tuned, to minimize exhaust emissions.

F-2. Measures to reduce vehicle trips would also help to improve air quality. See Section VI.D., Mitigation Measures, Transportation, p. 644. However, it is unlikely that these measures would result in trip reductions that would reduce emissions of criteria air pollutants such that no criteria air pollutants would exceed the Bay Area Air Quality Management District significance thresholds.

F-3. Federal and State authorities (the U.S. Environmental Protection Agency and California Air Resources Board, respectively) are considering establishment of emissions standards for new marine engines that could ultimately limit or reduce emissions from marine vessels. However, there are no feasible mitigation measures for marine vessel emissions that are within the jurisdiction of local or regional agencies such as the Port or the Bay Conservation and Development Commission.

deteriorated should be cut off and replaced with a concrete steel sleeve. A structural engineer should be consulted regarding the repair of the piers.

I-11a. At the time of anticipated tsunami incursion, the San Francisco Police Department should close off the immediate waterfront area of Aquatic Park, Fisherman's Wharf and the Hyde Street Pier to the public; all marina operators should close off access to the docks for the public and boat owners; and ferry boat operators should prevent people from standing on water-level ferry loading docks everywhere in the Project Area.

This mitigation measure would help to reduce the potential for casualties to occur from tsunami by keeping people away from areas where injury could occur. Damage to facilities would not be mitigated.

I-11b. To reduce potential damage to facilities from tsunami, consider constructing larger and higher breakwaters at the Hyde Street Pier, Fisherman's Wharf and marinas. The infrequency of tsunami may not warrant the cost and environmental impact of breakwater reconstruction.

J. HYDROLOGY AND WATER QUALITY

IMPROVEMENT MEASURES PROPOSED AS PART OF THE PROJECT

None.

IMPROVEMENT MEASURES IDENTIFIED IN THIS REPORT

No significant hydrology or water quality impacts (beyond the unavoidable significant impacts related to regional dredge disposal) have been identified. The following measures could reduce hydrology or water quality impacts that may be of concern.

1. As part of construction requirements, drainage from new or re-developed long-term facilities located outside of the City's combined storm drain/sewer system should either be connected to the system or to on-site oil/water separators so that stormwater runoff is treated prior to discharge and that there is no direct discharge to the Bay or surface waters.

2. Interim industrial uses (tenant-operated) should be encouraged to participate in the group monitoring program to increase awareness of stormwater runoff control and to participate in the Port's Best Management Practices for stormwater runoff.

3. Interim uses with specific wastewater disposal needs should be located where appropriate sewer connections and laterals are available and meet current City building codes. No direct discharge of any kind of wastewater to the Bay from interim uses should be permitted.

4. Water quality monitoring should be conducted during construction of facilities on or adjacent to the Bay to minimize effects of construction activities on water quality. In order to minimize potential for spills, construction materials or debris to enter the Bay and affect water quality, site specific construction methods and precautions, such as limiting activities on days of strong winds, could be included in the contractor's construction specifications to minimize effects on water quality. Demolition of structures with lead-based paint should include physical precautions to ensure that paint dust and chips do not enter the Bay.

5. During earthmoving activities associated with construction, erosion control measures such as silt fences or sandbags should be used to minimize wind-borne or water-borne sedimentation to surface waters.

6. The Port should work with the City and other agencies, such as Golden Gate National Recreation Area, to obtain and assure funding for annual updating of the San Francisco Oil Spill Prevention and Response Plan.

L. ENERGY

IMPROVEMENT MEASURES PROPOSED AS PART OF THE PROJECT

None.

IMPROVEMENT MEASURES IDENTIFIED IN THIS REPORT

No significant energy impacts have been identified. The following measures could reduce energy consumption that may be of concern.

In addition to compliance with energy-related regulations (Title 24 Energy Conservation Standards and Title 20 Appliance efficiency Standards), energy consumption resulting from implementation of the Waterfront Land Use Plan could be further reduced by other means. The following measures would increase energy efficiency, beyond that required by law, in conformance with the objectives and policies of the Energy section of the Environmental Protection Element of the San Francisco General (Master) Plan. These measures could be implemented by the Port, through requiring sponsors of individual projects to incorporate the measures into project design.

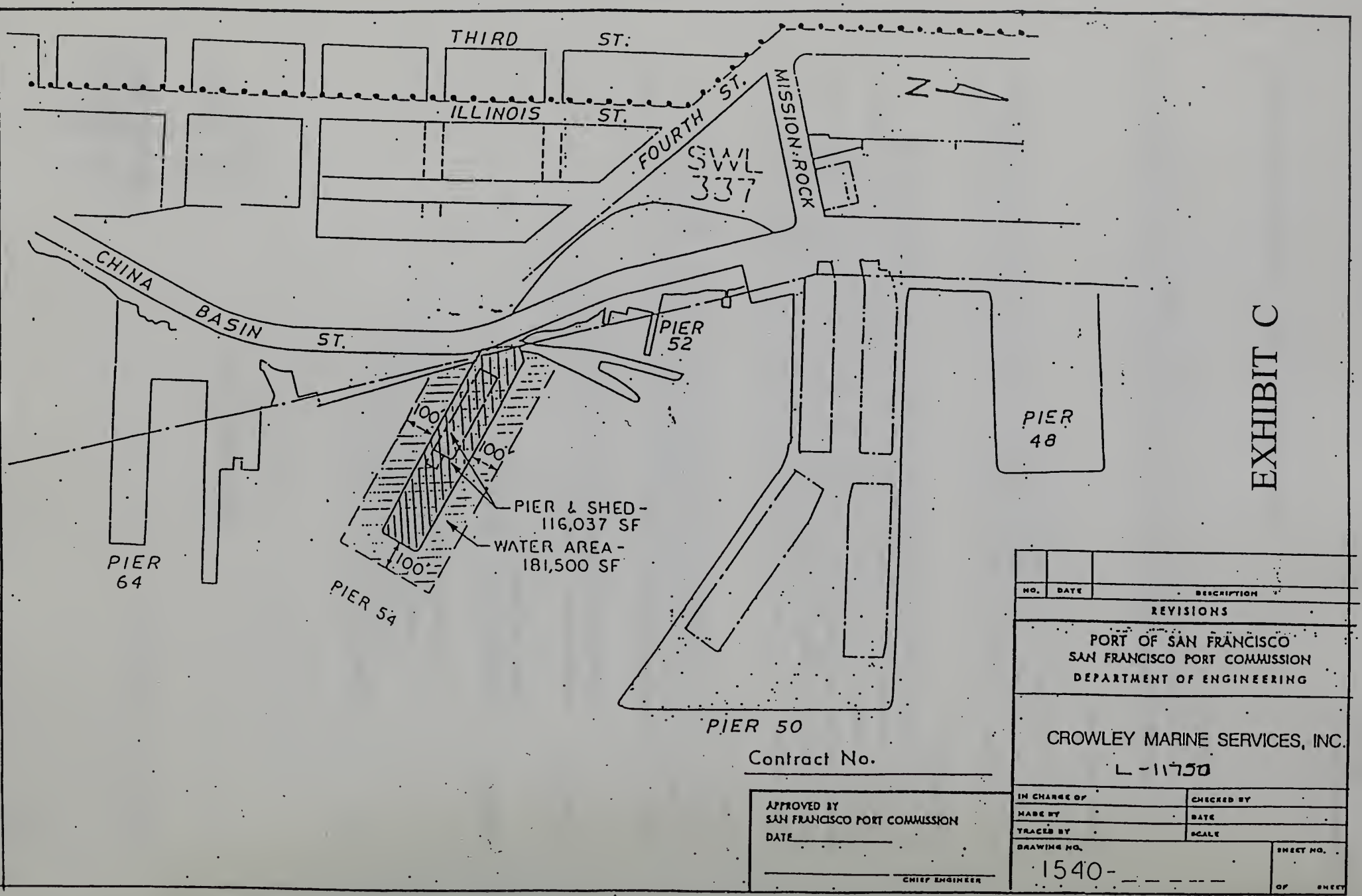
1. Energy-intensive materials and construction methods could be replaced by less intensive ones, where feasible to reduce construction energy consumption while maintaining the same final building performance criteria. The Port could require that project sponsors analyze the "embodied energy" in proposed construction materials and alternative

CROWLEY MARINE SERVICES, INC.
PIER 54 BUDGET EXPENSES
YEAR 1998

EXPENSES	MONTHLY	ANNUAL
Port Rent	23,600	283,200
Improvements	11,950	143,400
Insurance	1,000	12,000
Property Tax	2,500	30,000
Brokerage Fees	1,650	19,800
SUBTOTAL	40,700	488,400
Repairs/Maintenance	4,500	54,000
Utilities	3,000	36,000
Janitorial	1,000	12,000
Security	9,000	108,000
SUBTOTAL	17,500	210,000
TOTAL	58,200	698,400

Prepared and submitted by Crowley Marine Services, Inc.

EXHIBIT B


THIRD ST.
ILLINOIS ST.
FOURTH ST.
MISSION ROCK
SWL 337
CHINA BASIN ST.
PIER 52
PIER 48
PIER 64
PIER 54
PIER 50
100
100
100
PIER & SHED - 116,037 SF
WATER AREA - 181,500 SF
EXHIBIT C
NO. DATE DESCRIPTION
REVISIONS
PORT OF SAN FRANCISCO
SAN FRANCISCO PORT COMMISSION
DEPARTMENT OF ENGINEERING
CROWLEY MARINE SERVICES, INC.
L-11750
Contract No.
APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE
CHIEF ENGINEER
IN CHARGE OF
CHECKED BY
MADE BY
DATE
TRACED BY
SCALE
DRAWING NO.
1540-
SHEET NO.
OF SHEET

PORT OF SAN FRANCISCO

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MEMORANDUM

July 10, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Construction Management Services Contract for the Downtown Ferry Terminal Construction Project

DIRECTOR'S RECOMMENDATION: AUTHORIZE AWARD OF CONSTRUCTION MANAGEMENT SERVICES FOR THE DOWNTOWN FERRY TERMINAL CONSTRUCTION PROJECT TO THE SAN FRANCISCO PORT MANAGEMENT CONSULTANTS

On November 20, 1997, the Commission authorized staff to issue a Request for Proposals for construction management ("CM") services for the Downtown Ferry Terminal construction project. Staff received over ten proposals and after its review, staff shortlisted firms/joint ventures for interviews. San Francisco Port Management Consultants ("SFPMC") emerged from the interview process with the highest overall score. SFPMC is a joint venture firm composed of the Jefferson Company and Rust Environment and Infrastructure.

Port in-house construction management staff will direct the CM's work. The CM will supplement the in-house construction management staff. The CM's services are separated into Phase I and Phase II Services as noted below:

Phase I Services:

a. Preconstruction responsibilities including constructability analysis, value engineering, bid document review, schedule analysis, construction cost review, and public outreach.

THIS PRINT COVERS CALENDAR ITEM NO. **6A**

Phase II Services:

a. Construction administration duties including inspections/quality control, cost/schedule monitoring, construction coordination, change order review and processing, claims management, payment processing, and document control.

b. Contract close-out tasks, including as built drawings.

The Port and SFPMC have negotiated a contract requiring the above-referenced scope of services to be performed over the duration of the project (approximately thirteen months), on a time and materials basis with a not-to-exceed fee of $522,527. The CM contract will be funded by the Port's capital projects fund. Currently $113,960 of capital project funding is available for the Phase 1 Services. Capital project funding for Phase II Services ($408,567) is expected to be available within six months.

Staff is requesting the Commission's authorization to award this CM contract to SFPMC for a not-to-exceed amount of $522,527.

Prepared by: Joe Roger
Project Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-64

WHEREAS, On November 20, 1997, the Commission authorized staff to issue a Request for Proposals for construction management (CM) services for the Downtown Ferry Terminal construction project; and

WHEREAS, SFPMC emerged from the interview process with the highest overall score; and

WHEREAS, these services will include administering the project through the construction phase for the Port; and

WHEREAS, the Port's Construction Management staff will direct the CM consultant; and

WHEREAS, the CM consultant will be funded out of capital project funds; and now therefore be it

RESOLVED, that the Commission authorizes staff to award a consultant contract for construction management services for the Downtown Ferry Terminal Construction Project to the San Francisco Port Management Consultants (a joint venture consisting of the Jefferson Company and Rust Environmental and Infrastructure) for a contract amount not to exceed $522,527.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

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MEMORANDUM

July 10, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to modify contract amount for design of the wetlands and public access enhancements at Pier 98.

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZE AN INCREASE TO THE EXISTING CONTRACT FOR DESIGN OF WETLANDS AND PUBLIC ACCESS ENHANCEMENTS AT PIER 98.

In December 1994, the Port Commission authorized award of a contract to Levine-Fricke-Recon (formerly Levine-Fricke)/AGS, Inc., a joint association (LFR/AGS), for environmental and engineering design of the wetlands and public access enhancements at Pier 98 (Resolution 94-147). In March 1995, the Port executed a contract with LFR/AGS to complete specified design services at a cost not to exceed $176,600.

The project design upon which the contract was based was conceptual. The exact design parameters for the project evolved subsequently, based on negotiations with various regulatory agencies and public input. Port staff considered at the time the contract was executed that additional environmental assessment and design work would be required. Consequently, a total of $235,000 was allocated to the project for technical design and other environmental assessment expenditures related to the Pier 98 project.

Various circumstances requiring additional work have arisen during the design process. Additional work has been required primarily to meet the demands of the various regulatory agencies having jurisdiction over the project. Costs that were not included in the initial scope of work include development of a monitoring and maintenance plan as required by the two permitting agencies, and as-needed engineering support during construction. The specific tasks and associated costs are as follows:

Support negotiations with the Regional Water Quality Control Board. Substantial negotiations with the Regional Water Quality Control Board (RWQCB) to obtain RWQCB agreement with the proposal to create wetlands at Pier 98. Levine-Fricke-Recon's (LFR's) responsibilities include a review of soil and groundwater data, preparation of a technical report for submittal to RWQCB, three meetings with the Port, and meetings, site visits, and presentations to the RWQCB. Additional biological assessment by LFR and soil investigation by the geotechnical engineering subcontractor. **Total Cost = $15,920.**

Aerial survey and mapping. In preparing topographic maps of the site (required for development of construction plans and included in original scope of work), LFR found that the baseline datum provided by the Port could not be located, and a 12 to 17 foot difference in elevations between field data and existing maps could not be reconciled. To resolve these discrepancies and generate an accurate topographic survey of the site, a new aerial survey and baseline topographic map were required. LFR shall verify wetlands delineation and revise maps to conform to accurate survey. **Total Cost = $10,900.**

Presentation Graphics. Presentations at BCDC, RWQCB, and numerous public meetings required 12 oversize (36" x 48" and larger) color figures mounted on foam-core presentation boards. Creation and production of these graphics was required by the agencies, and is not part of the original scope of work. Production of graphics is billed at cost plus 8% as specified by the terms of the contract. **Total Cost = $2,680.**

Burrowing Owl Survey. The U.S. Fish and Wildlife Service (USFWS) reviews all applications to the Army Corps of Engineers to verify that there are no adverse environmental impacts associated with the proposed work. Upon review of the Port's application, the USFWS requested additional study of the potential for Burrowing Owls, an endangered species, to be present at Pier 98. LFR prepared a report for submittal to the USFWS justifying their conclusion that endangered species are not present at Pier 98 and that additional investigation is not required. **Total Cost = $500.**

Tidal Reckoning. The design of the tidal marsh depends on precise location of optimal elevations for salt marsh vegetation. This requires site-specific tidal reckoning and deployment of electronic monitoring equipment over a period of several days to measure tidal elevations. **Total Cost = $4,500.**

Development of Maintenance and Monitoring Plan. BCDC and Army Corps of Engineers must review and approve a Maintenance and Monitoring plan before issuing permits for construction. Due to the need for specific technical knowledge and the accelerated project schedules, LFR agrees to prepare the maintenance and monitoring plan, which was not part of the original scope of work. **Total Cost = $6,200.**

Engineering support during construction. The Port will require engineering services on an as-needed basis during construction to inspect site work and review contractors' submittals. Hourly rates and other unit costs will be billed as specified in the existing Agreement. The inspection and review services required are specified in the construction specifications. **Max. Estimated Cost = $7,000.**

The total cost for these additional tasks is **$47,700.**

The existing contract scope of services and not-to-exceed amount must be modified to accommodate these additional tasks. Staff seeks the Commission's approval to increase the amount of the contract from $176,600 to $224,300. The necessary funds are already allocated to the Pier 98 project design account.

Prepared by: Carol Bach, Project Manager
Environmental Health and Safety Section

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-65

WHEREAS, the Port Commission previously awarded a contract to Levine-Fricke-Recon/AGS for environmental and engineering design of the wetlands and public access improvements at Pier 98; and

WHEREAS, it is necessary to amend the scope of services and contract amount to include additional environmental assessment and design services required by regulatory agencies and responding to public input; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves modification of the contract with Levine-Fricke-Recon/AGS (Professional Services Contract No. 3940015) for additional services for $47,700, not to exceed a total contract amount of $224,200.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

July 10, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Construction Contract No. 2653, "Maintenance Dredging For Pier 35 East"

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZES THE EXECUTIVE DIRECTOR TO AWARD CONTRACT NO. 2653 TO DUTRA DREDGING COMPANY

The Port Commission authorized the advertisement of Construction Contract No. 2653 at the regular meeting on June 9, 1998. Bids were received on July 7, 1998. There were two bidders and a Bid Summary is attached. Dutra Dredging Company was the low bidder at $199,943. The Contract includes the required maintenance Dredging at Pier 35 East to accommodate current cruise ship requirements. Dredging work includes provisions for in-bay disposal of dredge sediments at the Alcatraz dumpsite. The contract provides for construction mobilization requirements and 47,942 cubic yards of dredge material. The dredging will be performed during the month of August of this year.

Staff recommends award of the contract for $199,943, authorization for a 15% contingency to cover uncertainties in the quantity of dredging required, and authorization for the Executive Director to accept the work once it is complete.

Prepared by: Cliff Jarrard
Chief Harbor Engineer

THIS PRINT COVERS CALENDAR ITEM NO. 6C

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-66

WHEREAS, Port Operations require maintenance Dredging at Pier 35 East to accommodate current cruise ship requirements; and

WHEREAS, the Commission authorized the advertisement of Contract 2653 at its regular meeting of June 9, 1998; and

WHEREAS, bids were received on July 7, 1998 and Dutra Dredging Company was the low bidder at $199,943; and

WHEREAS, dredging work includes provisions for in-bay disposal of dredge sediments at Alcatraz dumpsite; and

WHEREAS, contract includes construction mobilization requirements and 47,942 cubic yards of dredge material; now therefore be it

RESOLVED, that the Port Commission authorize the award of Contract No. 2653 to Dutra Dredging Company for $199,943, authorizes a 15% contingency to cover uncertainties in the quantity of dredging required, and authorization for the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Project: Maintenance Dredging for Pier 35 East
Contrac 2653 **Project Engineer:** Seng Kwok **Bids Opened:** July-7-98

			Bidder Name Address City, State, Zip Phone #	Dutra Dredging Company 1000 PT San Pedro Road San Rafael, CA 94901 415- 458-5466	Bidder Name Address City, State, Zip Phone #	Great Lakes Dredge & Dock Company 2122 York Road Oak Brook, Illinois 60523 603-574-3000
Bid Item #	**Description**	**Estimated Quantity**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**
LS-1	Mobilization (Refer to section 01505 for all the requirements for this item	NA	$70,500.00	$70,500.00	$295,000.00	$295,000.00
UP-1	Pier 35 East (Dredging at this site and disposal of dredge material at	47,942CY	$2.70	$129,443.40	$4.75	$227,724.50
	Totals			$199,943.40		$522,724.50

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PORT OF SAN FRANCISCO

Checked By:
Date:7/8/98
Page 1 of 1

Project: Maintenance Dredging for Pier 35 East
Contract No.: 2653 Project Engineer: Seng Kwok
Bids Opened: 7-Jul-98

		Bidder Name	Dutra Dredging Company	Bidder Name	Great Lakes Dredge & Dock Company
		Address	1000 PT San Pedro Road	Address	2122 York Road
		City, State, Zip	San Rafael, CA 94901	City, State, Zip	Oak Brook, Illinois 60523
		Phone #	415- 458-5466	Phone #	603-574-3000
Required Forms	Document #	Yes (Y)	No (N)	Yes (Y)	No (N)
Bid	00300	Y		Y	
Addenda Acknowledgement		Y		Y	
Schedule of Bid Prices	00302	Y		Y	
Schedule ot Unit Prices	00304	Y		Y	
Bid Bond	00411	Y		Y	
Experience & Financial Qualifications	00420	Y		Y	
List of Subcontractors	00430	Y		Y	
Non-Collusion Certification	00481	Y		Y	
HRC Form 1		n/a		n/a	
HRC Schedule A (as applic, by 5pm)		n/a		n/a	
HRC Schedule L (as applic, by 5pm)		n/a		n/a	
HRC Form 2A		n/a		n/a	
HRC Form 2B		n/a		n/a	
HRC Form 3		Y		Y**	
HRC Form 12B-101		Y		Y	
HRC Form 12B-102		n/a		n/a	
HRC Form 12B-103		n/a		n/a	
Apprenticeship Program	00490	Y		Y	
Business Tax Reg Declaration	00491	Y		Y	
Highest General Prevailing Wage	00492	Y		Y	
Equal Opp Empl & Bus Practices: LD	00493	Y		Y	
MacBride Principles	00494	Y		Y	
Deemed Responsive by Engin & HRC (Y/N) ?					

Total Bid →		from other page	$199,943.40	$522,724.50
PREFERENCES (as applicable):				
MBE	10%	($)	n/a	n/a
WBE	10%	($)	n/a	n/a
LBE	5%	($)	n/a	n/a
JV	5%	($)	n/a	n/a
JV	7.5%	($)	n/a	n/a
JV	10%	($)	n/a	n/a
Adjusted Bid →			n/a	n/a

**: Not Complete
n/a : Not Applicable
G:\projects\dredging\2653\bid-summary.wk4

PORT OF SAN FRANCISCO

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MEMORANDUM

July 8, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Month-to-Month Lease with Express Services Guaranteed, Inc. for Storage Space Located in the Ferry Building.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION.

BACKGROUND

Express Services Guaranteed, Inc. ("Express") is currently a tenant in the Ferry Building under Port Lease No. L- 11809, for approximately 621 square feet of ground floor storage space. The current Base Rent is $582.01 per month ($.93 per sq. ft.). The tenant's business consists of package handling, shipping and delivery. Additionally, Express is under contract with the City of San Francisco to provide package handling services.

As a result of business growth, Express has proposed to relocate their operation to a larger space consisting of approximately 1,463 sq. ft. of storage space also located on the ground floor of the Ferry Building for the same use. The proposed Base Rent for the new lease is $1,463.00 ($1.00 per sq.ft.). The Lease will be on a month to month basis and commence upon Commission approval.

This lease requires Port Commission approval because there are no Commission approved parameter rental rates for miscellaneous storage space in the Ferry Building.

THIS PRINT COVERS CALENDAR ITEM NO. 9A

Proposed Lease Terms:

1) Premises: Approximately 1,463 sq. ft. of storage space located on the first floor the Ferry Building.

2) Term: The term shall be on a month-to-month commencing upon Commission approval of the Lease.

3) Use: The use shall be for package handling and storage.

4) Base Rent: The Base Rent shall be $1,463.00 per month ($1.00 per sq. ft.).

Recommendation

Port staff has concluded that the proposed rental rate is fair market rent for the Premises. Port staff recommends approval of Lease No. L-12615 with Express Services Guaranteed, Inc. on a month to month basis.

Prepared by: Mark Lozovoy, Sr. Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-62

WHEREAS, Section B 3.581 of the City Charter empowers the Port Commission of San Francisco (the Commission) with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Section B 3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Express Services Guaranteed, Inc. has proposed to lease approximately 1,463 sq. ft. of storage space located in the Ferry Building for the purposes of package handling and storage operation; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves into entering a lease No., L-12615 between the Port Commission and Express Services, Guaranteed, Inc. on the terms and conditions outlined in the memorandum to the Port Commission for Agenda Item 9A for their July 16, 1998 meeting and authorizes the Executive Director of the Port or his designee to execute the same on behalf of the Port in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 1998.

_____
Secretary

G:\WP51\AGENDAS\Express Services Guaranteed, Inc.doc\7/8/98

PORT OF SAN FRANCISCO

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MEMORANDUM

July 8, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Three-Year Lease with King's Fine Arts and Antiques at Pier 29 (The Embarcadero at Sansome Street).

DIRECTOR'S RECOMMENDATION: APPROVE LEASE WITH KING'S FINE ARTS AND ANTIQUES.

BACKGROUND

King's Fine Arts and Antiques (formerly Erin & Cheigh) has been a Port tenant for over four years. Due to various Port projects the tenant has had to move three different times to accommodate the needs of the Port. King's Fine Arts and Antiques was a tenant at Pier 46B, the site of the San Francisco Giants' Pac Bell Ballpark. To accommodate the ballpark, King's Fine Arts and Antiques agreed to move (without relocation assistance of any kind) to the Service Building at Pier 80.

Less than a year later, the reopening of Pier 80 as a Container Terminal required that King's Fine Arts and Antiques be terminated from the Pier 80 premises. Again, without relocation assistance, the tenant agreed to relocate to Seawall Lot 337 across from Pier 50 at Terry Francois Boulevard and Mission Rock Street.

In less than six months, in order to accommodate the relocation of other Port tenants (American Airporter) who needed to be moved from Pier 50, Shed A to allow for a Port

Maritime tenant (Kanematsu Forage, Inc.) King's Fine Arts and Antiques agreed to relocate to Pier 29 provided, the Port provides rent credit for the cost of demising the premises in Pier 29.

In order to facilitate the rapid relocation of the tenant, King's Fine Arts and Antiques was placed in possession of the Pier 29 premises pursuant to a temporary license agreement while the new lease was being negotiated and documented. The tenant and Port staff have successfully negotiated a new lease on the following terms.

1. **Tenant**: King's Fine Arts and Antiques, a California Corporation.

2. **Premises**: 3,600 square feet of open shed space at Pier 29, Bay 30 - 32.

3. **Term**: Three (3) years.

4. **Use**: Furniture delivery, storage, and distribution.

5. **Base Rent**: $1,440.00 per calendar month. ($0.40 cents per square foot per month).

6. **Rent Credits**: Up to $9,000.00 for the cost of demising the premises. (One-hour fire wall on three sides).

7. **Net Effective Rent Per Square Foot After Rent Credit**: $0.33

The Port Commission approved minimum net effective rental rate for open shed space north of the Ferry Building in effect at the time King's Fine Arts and Antiques moved into the space at Pier 29 was $0.30 per square foot.

Between the time the tenant moved into the space and the time the lease was presented for signature by the Port Director of Real Estate and Asset Management, the Port Commission approved a new rent schedule providing for a new minimum net effective rental rate for open shed space north of the Ferry Building of $0.43 (Resolution 98-34).

Because of the long history of cooperating with the Port to facilitate Port projects and because this tenant had negotiated and accepted a space at Pier 29 prior to adoption of the new rent schedule, Port staff recommends that the Port Commission approve the terms of Lease No. L-12580.

Prepared by: Nicolas J. Dempsey, Commercial Property Manager, Leasing

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-63

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, King's Fine Arts and Antiques has cooperated with several Port development and maritime projects by agreeing to relocate its premises to accommodate the Port's needs; and

WHEREAS, King's Fine Arts and Antiques negotiated the terms of a lease (Lease No. L-12580) consistent with the Port Commission approved rental schedule in effect at time of execution of the lease by King's Fine Arts and Antiques; and

WHEREAS, Subsequent to the execution of Lease No. L-12580 by King's Fine Arts and Antiques, the Port Commission approved a new rent schedule (Resolution No. 98-34); and

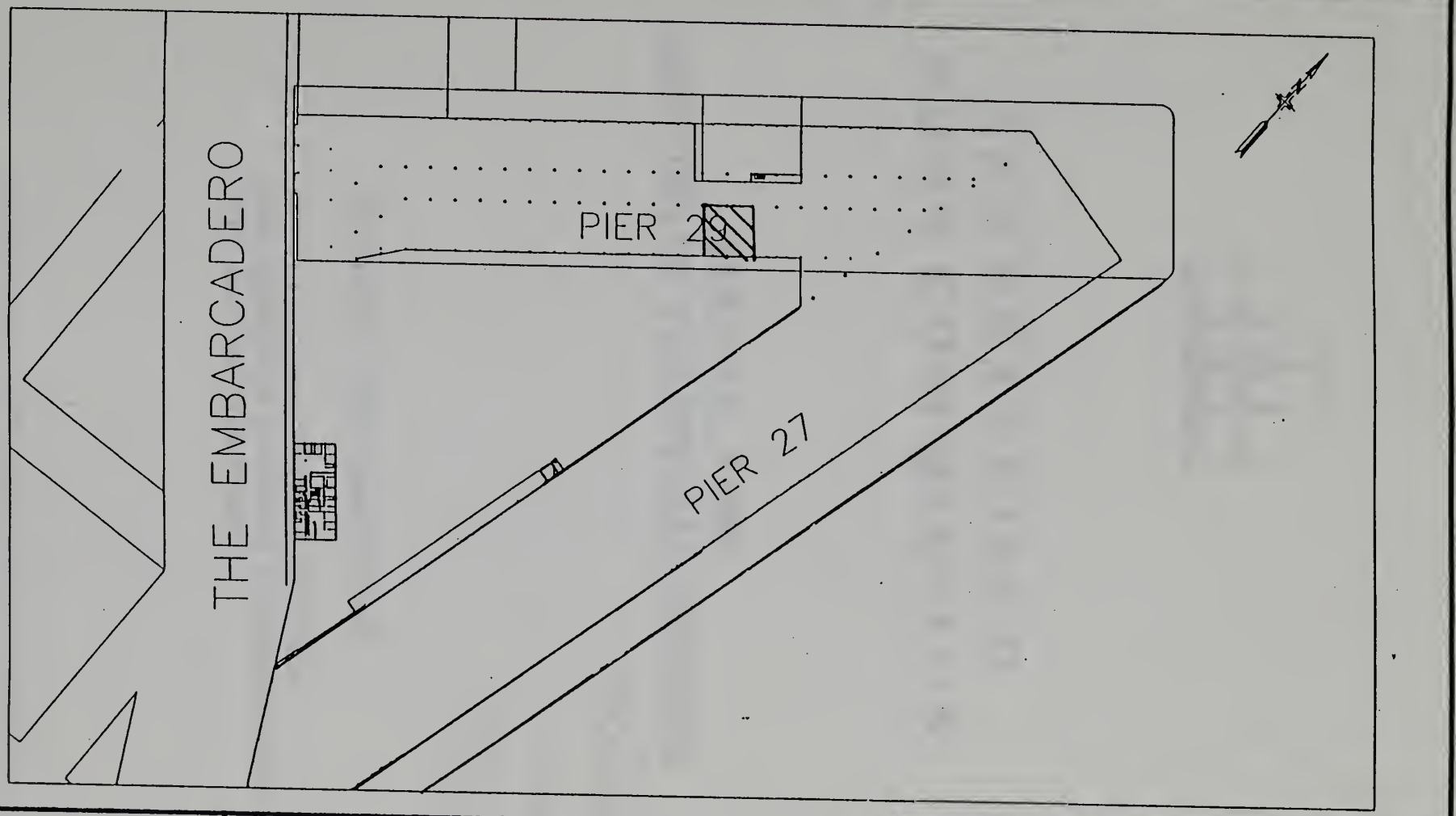
WHEREAS, It would prove a hardship to require King's Fine Arts and Antiques to pay a rent higher than that negotiated under the previous rent schedule; now, therefore, be it

RESOLVED, That the Port Commission hereby approves Lease No. L-12580 with King's Fine Arts and Antiques for 3,600 square of open shed space at Pier 29 incorporating the business terms set forth in the Memorandum for Agenda Item No. 9B for the Port Commission meeting on July 16, 1998, and authorizes the Executive Director or his designee to execute the lease and to take such further action as may be required to implement the lease.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 16, 1998.

_____
Secretary

EXHIBIT A



LEASE NO.	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO	TENANT: KING'S FINE ARTS AND ANTIQUES	DRAWN BY: G. DUDLEY — DATE: MAY 14, 1998 CHECKED BY: — SCALE: PLACE CODE NO. 1270-0-0000 — SHEET NO: OF SHEETS

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SAN FRANCISCO
PORT COMMISSION

JULY 16, 1998
MINUTES OF THE SPECIAL MEETING

DOCUMENTS DEPT.

OCT 0 8 1999

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
JULY 16, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:03 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon and Michael Hardeman.

2. APPROVAL OF MINUTES - June 23, 1998 Regular Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

1) The annual Fourth of July Waterfront Festival is the largest Independence Day Celebration in the West, with six stages covering San Francisco's beautiful waterfront. This year's event drew 250,000 people to enjoy the festivities and fireworks between Aquatic Park, along Fisherman's Wharf to Pier 39 and another few hundred thousand viewers from the extensive coverage given to the event by KRON TV 4 and BayTV. The waterfront festival is a great civic event, one of the finest Independence Day celebrations in the country. The Port of San Francisco is proud to be a part of bringing the residents of the Bay Area and visitors from around the world to the waterfront.

2) On July 14, 1998 at 2:30 a.m., the archway at Pier 43 caught on fire. The fire was put out by 6:00 a.m. The archway suffered about 50 percent damage to the shell and supporting beams. The Port's insurance carrier inspected the fire damage. The Port's engineering staff will work with a consultant architect specializing in historical structures to develop a repair plan for the archway. In the meantime, the fire-damaged area of the archway is fenced off to the public. Staff expects to clarify the issue of funding for the repair, repair criteria, permit issues and repair schedule in the next few weeks. Staff will keep the Commission abreast of the progress.

3) The Ferry Building's 100th Anniversary celebration was a huge success. More than 3,000 people attended the celebration. Everyone (including the Mayor)

enjoyed the festivities: boat parade, music, Beach Blanket Babylon and especially the daytime fireworks display. The Port received excellent media coverage that reached from San Jose to Sacramento. All of the local television and radio stations and daily newspapers covered the exciting event. Mr. Wong thanked Renee Dunn and Jeff Bauer for all their hard work.

4) On Tuesday, July 14, Moody's Investors Service upgraded the Port's Revenue Bonds from a single "A" rating to "A1." The upgrade reflects Moody's recognition of the significant improvement of the Port's financial condition since the Port was last rated in 1994. Moody's cited improved financial operations, favorable debt service coverage, lack of additional borrowing plans, and pro-active measures implemented by management as reasons for the upgrade. This improved credit rating should attract the type of world class developers that the Port is seeking to finance and develop its highly desirable waterfront property.

5) Veronica Sanchez, Governmental Affairs Manager, gave the Commission a status report of the Passenger Services Act (PSA) bill. Ms. Sanchez indicated that Andrea Mitchell of NBC interviewed her regarding the Passenger Services Act. The segment will air on NBC Nightly News tomorrow night at 5:30 p.m. The segment will focus exclusively on the PSA and the need to change the federal law to open up new business for U.S. ports. The Port of Baltimore and the Port of Seattle also were interviewed.

   Ms. Sanchez indicated that the San Francisco cruise business is highly dependent on the Alaska business. Our cruise products need to be diversified and the only way to do it is to change the 112-year old federal law. The legislation, to change the law to allow domestic cruises in and out of San Francisco without having to touch a foreign port, was introduced last spring by Senators Thurmond and Murkawski. Senator McKean is also a co-author of the legislation. The legislation was first heard last fall in the Senate Commerce Committee and subsequently heard in the House of Representatives in the spring of 1998. The Ports of Boston, San Francisco, Baltimore and Philadelphia along with travel agencies testified at the hearing. The legislation is scheduled for its first vote in the Senate Commerce Committee at the end of July.

   Ms. Sanchez indicated that they have been working with the unions to find a compromise that will allow the legislation to pass. They have formed a strong coalition of people but to this day, they have yet to see a democrat on board as a co-author, including the two California United States Senators. Ms. Sanchez stated they have met with Senator Feinstein and the Senator expressed her desire to be helpful and pre-dispose to co-author the bill. The Senator would like to find ways that would encourage opportunities for American Seamen on foreign flag vessels. They hope to get back to her with a compromise approach that would hopefully garner her support. They have also met Congresswoman Pelosi but she too is waiting for the proposal. The coalition has asked Congress for a 365-day pass per foreign flag cruise ship to sail in a domestic itinerary.

The cruise ships could only be in coastal cruising for 365 days from the year 2000 to 2005 without having to become a U.S. flag ship. Although this would narrow our business opportunities, this is the only viable way to pursue it, given our track record of getting democratic support.

In 1997, the Port had 52 cruise calls. By changing the PSA, it is estimated that the Port would get at least 110 cruise calls, which would mean a significant increase in passenger volume, from 77,000 passengers to 152,000. The total economic impact would represent $44 million of new revenues to the City, $1.5 million of which would be generated at the Port. An analysis of cruise industry statistics was prepared by our cruise marketing representative, Gerry Roybal. The State of California actually uses our research to do an economic study. Ms. Sanchez indicated that there currently is a lot of movement and a lot of awareness on the issue. Travel agents have been passing out cards on cruise ships to be sent to members of Congress as well as articles written in the Monterey newspapers. The goal is to get the bill out of Congress.

Ms. Sanchez indicated that they are seeking for the ILWU endorsement and they hope to go before them in August. The local ILWU unions such as Local 34 and Local 10 are strongly in support of changing the PSA. They are trying to build support in Southern California as well as in the Pacific Northwest.

Commissioner McCarthy asked about the compromise situation. Ms. Sanchez replied that the compromise would be for five years because they are trying to leave room for U.S. flag cruise ships to enter the market. It would expand to the year 2005 at which time, the foreign flag vessels will have to leave the market.

Mr. Wong acknowledged Renee Dunn's presence and thanked her once again for all her efforts in the Ferry Building 100th year anniversary celebration.

Commissioner Hardeman indicated that at last Monday's Labor Council meeting where they endorsed Mayor Brown, the Mayor talked about amending the PSA. The Mayor felt that labor unions should adopt the change as needed. The Mayor elaborated on this item and was very eloquent in his efforts to have labor look at this issue and get on board.

Ms. Sanchez also mentioned that the Mayor has been outstanding in his leadership regarding this matter. At each hearing, he has written a letter to members of Congress as well as our delegation and all the U.S. Mayors requesting their support.

On behalf of the Commission, Commissioner McCarthy thanked Renee Dunn for her efforts during the Ferry Building celebration. She mentioned that Renee Dunn is a professional and added that she is a pleasure to work with. Ms. Dunn is someone who takes charge and leads you the right way.

4. MARITIME

A. Approval of a three-year lease with Kai Enterprises, Inc. for use of Pier 50, Shed A, as a maritime cargo export facility. (Resolution No. 98-61)

Ms. Jill Simpson, Senior Marketing Executive, indicated that Port staff has concluded negotiations with Kai Enterprise, Inc. for a three-year maritime lease for Pier 50, Shed "A" for use as an animal feed export facility. Kai Enterprises has been using Pier 50 since October 1997 under a License Agreement. Kai Enterprises is a joint venture between Limex, Inc., a California corporation and Kanematsu USA, the U.S. subsidiary of Kanematsu, a leading Japanese trading company. Limex, Inc. operated a similar facility on Port property in the early 1990's but closed it with the departure of most of our shipping business. However, with the recent resurgence of shipping lines returning to Pier 80, they formed a joint venture company with Kanematsu USA and have reopened their business in San Francisco. The estimated revenue from the three-year lease is $664,000.

The lease will commence August 1, 1998 and terminate on July 31, 2001. The tenant will occupy approximately 71,800 sq. ft. of shed space at Pier 50 and will use the premises only to store and compress animal feed products for loading into the containers. Included in the lease is a clause that will allow the tenant to terminate the lease early upon sixty days prior written notice to the Port. The lease also contains the Port's standard clause allowing the Port to terminate the lease upon six months prior written notice. The base rent for year 1 is $16,531.48 per calendar month effective January 1st and $19,406,52 per calendar month for years 2 and 3.

Commissioner Brandon asked about the rental rate parameter for this space. Ms. Simpson replied that the rental rates, while below Port Commission approved parameters for commercial real estate rentals of Port property, are comparable to rate levels for maritime cargo warehousing at other local ports. Warehouses are currently operating in buildings that are a lot more modern at approximately 27 cents per sq. ft. The range is from 20 cents to 32 cents per sq.ft. depending on the quality of the building. Commissioner Brandon asked about the price for this space according to the new leasing parameters. Ms. Simpson replied that if this were for retail operation, the rent would be 39 cents per sq.ft. but since this is for maritime operation, the rent would be 23 cents per sq.ft.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-61 was adopted.

5. REAL ESTATE

A. Approval of one three-year lease with Aadvark Storage Unlimited, a California corporation doing business as American Storage Unlimited for 127,704 square feet

of paved land, located at Seawall Lot 344 on Amador Street at Cargo Way, and one nine-month lease for 96,546 square feet for use as a mini-storage facility. (Resolution No. 98-67)

Mr. Larry Florin, Acting Director of Real Estate, requested Commission's approval for two leases: (1) three-year lease with Aadvark Storage Unlimited for 127,704 sq. ft. and (2) nine-month lease for 96,546 sq. ft. A revised copy of the Exhibit A was provided to the Commission. The property is located at SWL 344, which is on Amador Street at Cargo Way. Aadvark Storage intends to use the space as a mini-storage facility. They are initially looking to move their 6th Street facility into the 127,704 sq. ft. property and then expand into the 96,546 parcel. The lease is within the leasing parameters. Staff is requesting Commission's approval because of the change of use from the previous use of the site. The site was recently used as a staging area for rail cars and other light industrial uses. Port Commission policy requires that any lease providing for a use which is a change of like-kind use from the existing or prior use of the facility, must come before the Commission for approval.

Commissioner Brandon asked about the 9-month lease. Mr. Florin replied that in the first lease, Aardvark needs three months to secure financing for the facility. Parcel A will meet their immediate needs; however, they believe they will be able to expand into Parcel B and for that reason the second lease is for only nine months. If in fact they do expand, and realize that the business is there, they will seek Commission's approval for a lease extension.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-67 was adopted.

B. Approval of additional uses and consent to sublease between Crowley Marine Services, Inc. and Rudolph Menzel doing business as Pier 66 San Francisco Small Boat Center for premises located at Pier 54. (Resolution No. 98-68)

Mr. Larry Florin, Acting Director of Real Estate, indicated that Crowley Marine Services has been operating at Pier 54 since 1993. At that time, they signed a 15-year lease with two 5-year options. It was originally their intention to consolidate their operations at Pier 54 but they left San Francisco. In 1997, they sold Red & White Fleet and have been seeking a subtenant for the property. The property has been vacant since 1997. Grubb & Ellis Brokerage Company helped them find a subtenant and identified Rudy Menzel as a subtenant. Rudy Menzel currently operates Pier 66 San Francisco Small Boat Center. Mr. Florin requested Commission's approval to consent to the sublease between Crowley Marine Services and Rudy Menzel and to change the uses that were approved in the original lease, identified in Exhibit A. Mr. Menzel will continue to operate the Pier 66 center. Crowley will still remain the Port's tenant and will remain liable for rent payments.

Commissioner Brandon inquired if the base rent of $34,000 will be paid to the Port or Crowley. Mr. Florin replied that the base rent would be paid to the Port. Crowley is still responsible for their rent.

Under the additional uses, Commissioner McCarthy asked for an explanation of Item No. 4, "Private meeting room for marine-related businesses using the facility, including beer and wine sales, limited to one of the existing break room areas and limited to no more than 1,000 square feet." Mr. Florin indicated that was an issue because of the perception that this would be a restaurant. This is, in fact, a clubhouse meeting area for the people who operate the facility. Mr. Menzel indicated that he intends to store boats in the meeting room on the days when the weather is bad or a place for fisherman's to get together. This would only be used for inside tenants who will be working or storing their boats.

Commissioner McCarthy asked about any permit requirements for the beer and wine sales. Mr. Florin replied that the tenant is required to obtain the necessary permits. Legal Counsel Sekhri opined that under the lease, the tenant is required to comply and obtain all required permits for the sale of beer and wine.

On behalf of Mr. Crowley, Mr. Al Zurawski, Vice President of Crowley Marine Services, expressed his appreciation for the Commission's approval of the resolution. Their company is 106 years old and has been leasing Port property for over 100 years. They will continue to be responsible for payment of this facility.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-68 was adopted.

6. FACILITIES & OPERATIONS

A. Authorization to award the construction management consultant services contract for the Downtown Ferry Terminal project to the San Francisco Port Management Consultants, a joint venture between Rust Environmental and Infrastructure and the Jefferson Company. (Resolution No. 98-64)

Mr. Alex Lee, Director of Facilities & Operations, requested Commission's approval to award the construction management consultant services contract for the Downtown Ferry Terminal project to the San Francisco Port Management Consultants (SFPMC), a joint venture between Rust Environmental and Infrastructure and the Jefferson Company. Mr. Lee indicated that in response to the Port's RFP, staff received 11 proposals. The selection panel reviewed the proposals and shortlisted six teams for interview. The selection panel interviewed the shortlisted team on May 29, 1998. During the interview, the panel focused on recommendation proposed by the teams. The SFPMC averaged the highest score because of their understanding of the Port project's multi-agency funding issues and the impact to the quality of life of Port tenants during construction. SFPMC also

provided specific suggestions to track construction progress, reduce construction time, public outreach to provide information on the project and address concerns and develop priority list of construction alternatives should problems arise. The Port and SFPMC have negotiated the scope of work with a not-to-exceed fee of $522,527.

Commissioner Brandon indicated that she originally had a list of questions but she subsequently received a letter from Mr. Lee which clarified her concerns and understands why this team was chosen.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-64 was adopted.

B. Authorization to modify contract amount for the design of the wetlands and public access enhancements at Pier 98. (Resolution No. 98-65)

Ms. Carol Bach, Project Manager, indicated that staff is requesting Commission's approval to increase the contract amount with the design consultant for the Pier 98 wetlands and public access improvement project. In 1995, the Commission approved the award of the design contract to Levine-Fricke (now called Levine-Fricke-Recon)/AGS, Inc., a joint association, at a cost not to exceed $176,600.

At that time, Port staff was also aware that additional work that was not included in the scope of the contract would be required and contemplated that this additional work might be done by Levine-Fricke or under a separate contract. A total of $235,000 was allocated to the project budget for the Pier 98 design work. Several circumstances required additional work outside of the original scope with Levine-Fricke-Recon such as negotiating with the Regional Water Quality Control Board (RWQCB) to revise the existing waste discharge requirement for this site. When the Port and BCDC came up with the innovative agreement to close the site by creating wetlands, the RWQCB's concurrence was not sought at that time. A great deal of work was required to negotiate with RWQCB's. In doing so, staff was able to reduce the cost of closure under its current design from an initial cost estimate of $5 million to approximately $2 million.

Additional work included reconciling site-specific title and ground elevation data. The site-specific elevations for Pier 98 were inaccurate and substantial amount of work was required to correct it. Another $13,000 will be required for engineering support during construction and completion of a maintenance and monitoring plan as required by two of the regulatory agencies. That plan will describe the maintenance and monitoring work that will be required for the next five years. With this resolution, staff is requesting Commission's approval to increase the contract amount by $47,700 from the initial $176,600 to $224,300.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon

seconded the motion. All of the Commissioners were in favor; Resolution No. 98-65 was adopted.

C. Authorization to award construction Contract No. 2653, "Maintenance Dredging for Pier 35 East" to Dutra Dredging Company. (Resolution No. 98-66) - **THIS ITEM WAS CONTINUED**

7. PLANNING & DEVELOPMENT

8. FINANCE & ADMINISTRATION

9. CONSENT CALENDAR

A. Approval of month-to-month lease with Express Services Guaranteed, Inc. for storage space located in the Ferry Building. (Resolution No. 98-62)

B. Approval of three-year lease with King's Fine Arts and Antiques for shed space at Pier 29 (The Embarcadero at Sansome Street). (Resolution No. 98-63)

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; items on the Consent Calendar were adopted. Resolution Nos. 98-62 and 98-63 were adopted.

10. NEW BUSINESS / PUBLIC COMMENT

Michael Levin spoke about the centennial celebration of the Ferry Building. For him, the celebration was tempered by the sad news of Pier 43. He asked about the status of Pier 43. Director Wong reiterated that the Pier 43 archway suffered approximately 50% damage. The Port's insurance carrier inspected the fire damage. The Port's engineering staff and historical architects are also investigating the fire damage. A report is expected in two weeks. Mr. Levin stated he would be happy to contribute anything he can in order to save Pier 43. He asked that the pier be rebuilt, if at all possible, no matter what it takes.

Mr. Levin stated that the centennial celebration was wonderful and complimented Renee Dunn. The program was great because it showed historic pictures of the Ferry Building. He looks forward to when the Ferry Building will house some kind of a museum; celebrating and educating people about the history of the Port.

Mr. Levin noted that in the last couple of weeks, he attended two hearings relating to the controversy over the removal of the trees that are currently along the mid-Embarcadero area. In contrast to the many people who cannot accept the removal of any existing trees, he not only agree with the removal of the trees but is concerned about the even larger number of new trees that is slated to replace them in front of the Ferry Building. He would hate to see the view of the wings of the Ferry Building and its grand architecture blocked. He indicated that everything should be done to ensure that the trees do not

block the view of the building.

Commissioner McCarthy indicated that the late Commissioner James Herman also felt the same way about the trees.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 4:49 p.m., the Commission Secretary announced that the Commission would withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

b. Property: Port property
Person Negotiating:
Port of San Francisco: Mark Lozovoy, Senior Property Manager
*RMC Lonestar: Eric Woodhouse, Executive Vice President

c. Property: Port property located at Mission Bay bordered by Illinois Street and Terry Francois Blvd. and Mission Rock Street
Person Negotiating:
Port representative: Paul Osmundson, Director of Planning & Development
*Catellus Representative: Doug Stimpson, Vice President and CFO

At 6:10 p.m., Commissioners McCarthy, Brandon and Hardeman returned from executive session and convened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in the executive session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:12 p.m.

J. Quesada
Commission Secretary

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, JULY 28, 1998
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

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AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - July 16, 1998 Special Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **MARITIME**

   A. Approval of a month-to-month lease with the National Liberty Ship Memorial, Inc. at Pier 32 for the SS Jeremiah O'Brien. (Resolution No. 98-69)

5. **REAL ESTATE**

   A. Approval of Imperial Parking, Inc., as parking operator, approval of sublease between the China Basin Ballpark Company, LLC and Imperial Parking, Inc., and approval of Consent, Non-Disturbance, Attornment and Estoppel Agreement for 619,317 square feet of paved land, located at Seawall Lot 337, on the south side of China Basin, for use as a parking lot for ballpark-related parking. (Resolution No. 98-71)

6. **FACILITIES & OPERATIONS**

   A. Authorization to award construction Contract No. 2653, "Maintenance Dredging for Pier 35 East" to Dutra Dredging Company. (Resolution No. 98-66)

7. **PLANNING & DEVELOPMENT**

   A. Recommendation on selection of developers to invite to submit proposals for the Design, Rehabilitation and Lease of the Ferry Building. (Resolution No. 98-70)

8. **FINANCE & ADMINISTRATION**

9. **CONSENT CALENDAR**

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) of the California Government Code Section 54956.9 (two cases).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792
- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

An executive session has been calendared to instruct the real estate negotiator regarding responses received to the Request for Proposal.

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a) 2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

July 22, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of a month-to-month lease with the National Liberty Ship Memorial, Inc. at Pier 32 for the SS Jeremiah O'Brien

DIRECTOR'S RECOMMENDATION: APPROVE MONTH-TO-MONTH LEASE

Background:

The National Liberty Ship Memorial, Inc. (NLSM) operates the SS Jeremiah O'Brien as a not-for-profit corporation, and has berthed the vessel at Pier 32 since September 1994 under a berthing application. This berthing agreement has allowed the vessel to remain at the pier and pay a rate of 6% of their ticket sales in lieu of dockage.

Port staff has concluded negotiations with the National Liberty Ship Memorial, Inc. for a month-to-month agreement to include the berth for the SS Jeremiah O'Brien, open pier space for public access, ship support and parking. This agreement is comparable to the Pampanito's agreement at Pier 45.

Proposed Lease Terms:

1. **Premises**: 8,820 square feet of open pier space and 25,650 sq. ft. of water space for berthing of the SS Jeremiah O'Brien, as shown on the site plan.

2. **Term**: Month-to-month

3. **Use**: Non-exclusive use of the open pier space as access, vessel support and parking for the SS Jeremiah O'Brien and exclusive use of the berth depicted on the site plan for the berthing of the SS Jeremiah O'Brien.

The National Liberty Ship Memorial may place a ticket booth within the open pier space for the sale of tickets to board and tour the SS Jeremiah O'Brien.

Vehicle parking will be allowed within the open pier space for the ship's crew and visitors only. Parking rental other than the ship's crew or visitors is strictly prohibited.

4. **Base Rent**: $1,000.00 per month

5. **Percentage Rent**: Percentage rent shall be offset by base rent and shall be calculated and paid monthly by applying the percentage rates indicated below to the gross receipts of the indicated types of sales:

Ticket Sales	-	6%
Gift Shop	-	6%
Events	-	6%
Parking	-	6%
All other Sales	-	6%
Charters & Rentals	-	6%

The National Liberty Ship Memorial shall pay percentage rent for any period in which the SS Jeremiah O'Brien has shifted to another Port of San Francisco facility.

Fees and/or donations paid by third parties to film or photograph the SS Jeremiah O'Brien's interior of the vessel while it is at the Premises or to film or photograph the vessel while it is away from the Premises and charitable donations of funds but not including funds paid by persons for viewing or touring the SS Jeremiah O'Brien, shall be excluded from percentage rent.

6. **Maintenance**: Both the Tenant and Port acknowledge that the fender system is deteriorated and neither the Port nor the Tenant shall have any responsibility to maintain or repair the fender system or substructure. Tenant shall have the right to install its own fender system at Tenant's sole cost.

Prepared by: Denise Turner, Wharfinger

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-69

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Section B3.581(g), leases and franchises granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, National Liberty Ship Memorial, Inc. desires to enter into a month-to-month lease agreement with the Port for the use of Pier 32; and

WHEREAS, said use offers a permanent location providing stability for the National Liberty Ship Memorial, Inc. and a fixed revenue stream to the Port; and

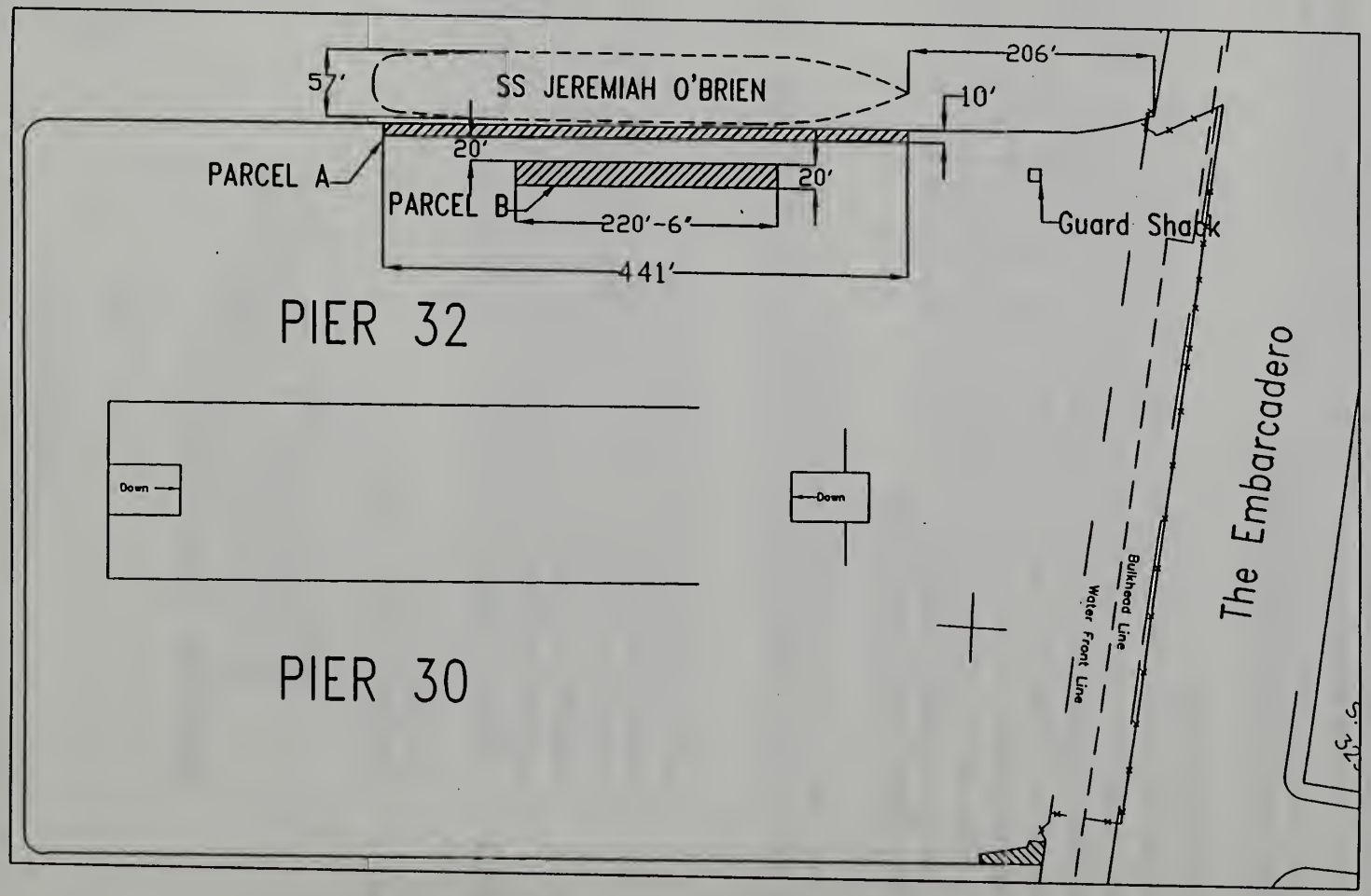
WHEREAS, that the San Francisco Port Commission hereby authorizes the Executive Director to enter into a month-to-month lease with National Liberty Ship Memorial, Inc. on terms set forth in the memorandum for this item, a copy of which is on file with the Commission Secretary, and to execute documents effecting said lease on behalf of the Port, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 28, 1998.

_____
Secretary

EXHIBIT A

INITIALS: PORT _____ TENANT _____



LEASE NO.	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO	TENANT:	DRAWN BY: G. DUDLEY — DATE: MAY 30, 1998 CHECKED BY: — SCALE: PLACE CODE NO. 1320-0-0000 — SHEET NO. OF SHEETS

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

July 21, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Imperial Parking, Inc., as parking operator, approval of sublease between the China Basin Ballpark Company, LLC and Imperial Parking, Inc., and approval of Consent, Non-Disturbance, Attornment and Estoppel Agreement, for 619,317 square feet of paved land, located at Seawall Lot 337 on the south side of China Basin, for use as a parking lot for ballpark-related parking. (Resolution 98-71)

DIRECTOR'S RECOMMENDATION: APPROVE PARKING OPERATOR SUBLEASE AND ATTORNMENT AGREEMENT

A. BALLPARK PARKING LEASE.

The China Basin Ballpark Company, LLC (herein "CBBC") entered into a Lease for 619,317 square feet (14.2 acres) of paved land at Seawall Lot 337 on November 26, 1997, to be used for parking for the new Pac Bell Park. This Lease was approved by the Port Commission on September 9, 1997 (Resolution 97-78). The Lease anticipated that CBBC might engage a parking operator to develop and manage the parking lot. CBBC has chosen Imperial Parking, Inc. to fulfill that role. Per the Lease, CBBC is now requesting Port Commission approval to sublease the site to Imperial Parking, Inc. (herein "Imperial") for ballpark-related parking.

B. PORT STANDARD FOR CONSENT.

Under Section 41 of the Lease, the Port retains the right to review and approve the parking operator and sublease agreement, which approval is not to be unreasonably withheld. Section 21 of the Lease provides that the Port may condition its consent on requiring (i) that the subtenant assumes the obligations of CBBC under the Lease; (ii) that the sublease contains an indemnification and waiver identical to that set forth in the Lease, and a clause requiring the Port and City to be named as additional insureds and allowing Port to increase

insurance requirements. In addition, Port may deny its consent to the sublease on any reasonable grounds including inadequate financial capacity of the subtenant, a proposed use that is inconsistent with the Lease or would increase the risk of casualty or hazardous materials, an unacceptable business reputation, or ability to run a quality operation.

C. PORT REVIEW OF IMPERIAL AS SUBTENANT.

CBBC has submitted the requested materials to Port staff regarding the proposed sublease, including a copy of the sublease, Imperial's corporate structure and explanatory materials, their financial statements and their references.

Based on its review of these materials, Port staff believes that Imperial meets the Port's standards for creditworthiness and character. In addition, conditions (i) and (ii) described in Section B above regarding assumption of Lease obligations, and providing indemnities and insurance have been met.

D. ATTORNMENT AGREEMENT.

CBBC has also requested the Port to enter into a Consent, Non-Disturbance, Attornment and Estoppel Agreement. Under that Agreement, if the is terminated early because of a CBBC default, the Port would recognize Imperial as the Tenant under the sublease, and the Port would be bound as the Landlord under the sublease to Imperial for the remainder of the original Lease term. Imperial has also requested an Estoppel from the Port, representing that there are no known defaults under the Lease. A copy of the proposed Agreement is on file with the Port Commission Secretary.

E. PROGRAM IN DIVERSITY/PREVAILING WAGES.

Pursuant to the Lease, Imperial is required to comply with the same Program in Diversity for construction of the parking improvements and hiring of employees adopted by CBBC. Also, Imperial must pay prevailing wages for construction work done in connection with the parking improvements.

F. PROPOSED SUBLEASE TERMS.

The fundamental business terms of the sublease are set forth below:

1. **Premises**: 619,317 square feet (14.2 acres) of paved land located at Seawall Lot 337 on the south side of China Basin. A Site Plan of the Premises is attached to this Agenda Summary as Exhibit A.

2. **Term**: The sublease term is equivalent to the term of the lease which terminates on November 15th of the 9th year following lease commencement. The Lease commences on the date the parking improvements and ballpark are completed and ready for use. Tenant has the right to enter the premises on June 26, 1999 in order to begin construction of the necessary parking lot improvements.

3. **Use**: Surface parking lot for bicycles and motor vehicles for baseball games and special events at, and any other permitted use of, the Ballpark and/or the operation, maintenance, repair or improvement of the Ballpark.

4. **Base Rent**: $101,554 per calendar month ($0.16 cents per square foot per month), $1,218,648.00 per year.

5. **Percentage Rent**: 50% of all Net Operating Revenue as defined in Section 5.3 of the Commission approved lease with CBBC.

6. **Rent Commencement**: An interim rent is due during the construction of the parking improvements commencing on June 26, 1999 and terminating when the improvements are complete and ready for use. The interim rent is the amount of rent the Port collects from existing tenancies at this location as of June 26, 1998, an amount equal to $71,286 per month. Upon completion of the improvements, the base rent commences.

7. **Rent Credits**: Port shall provide Tenant with a credit against Base Rent for the investigation and remediation of pre-existing Hazardous Materials to the extent required by all applicable regulatory agencies.

8. **Attornment:** In the event the Port succeeds to the interest of landlord under the sublease by reason of termination of the lease by the Port due to CBBC's default, it is agreed that Imperial shall be bound to the Port, and the Port shall be bound to Imperial, under all the terms, covenants, and conditions of the sublease for the remaining balance of the term.

9. **Program in Diversity/Prevailing Wage:** The Commission approved lease between CBBC and the Port included a requirement for the development of a Program in Diversity (Section 42) and a requirement for Prevailing Wages (Section 43). These requirements are applicable to Imperial under the sublease.

Prepared by: Phil Williamson, Commercial Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-71

WHEREAS, Charter Section B3.581 empowers the Port commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, The Port Commission approved the terms of a lease with the China Basin Ballpark Company, LLC ("CBBC") on September 9, 1997 (Resolution 97-78); and

WHEREAS, CBBC desires to sublease to Imperial Parking, Inc., a Delaware corporation ("Imperial") 619,317 square feet of paved land at Seawall Lot 337 on the south side of China Basin for a parking lot for ballpark-related parking; and

WHEREAS, Port Commission approval is being sought to approve Imperial Parking, Inc. as the parking operator, and to approve a sublease between CBBC and Imperial, the terms of which are set forth in the Memorandum of Agenda Item 5A for the Port Commission meeting of July 28, 1998; now, therefore, be it

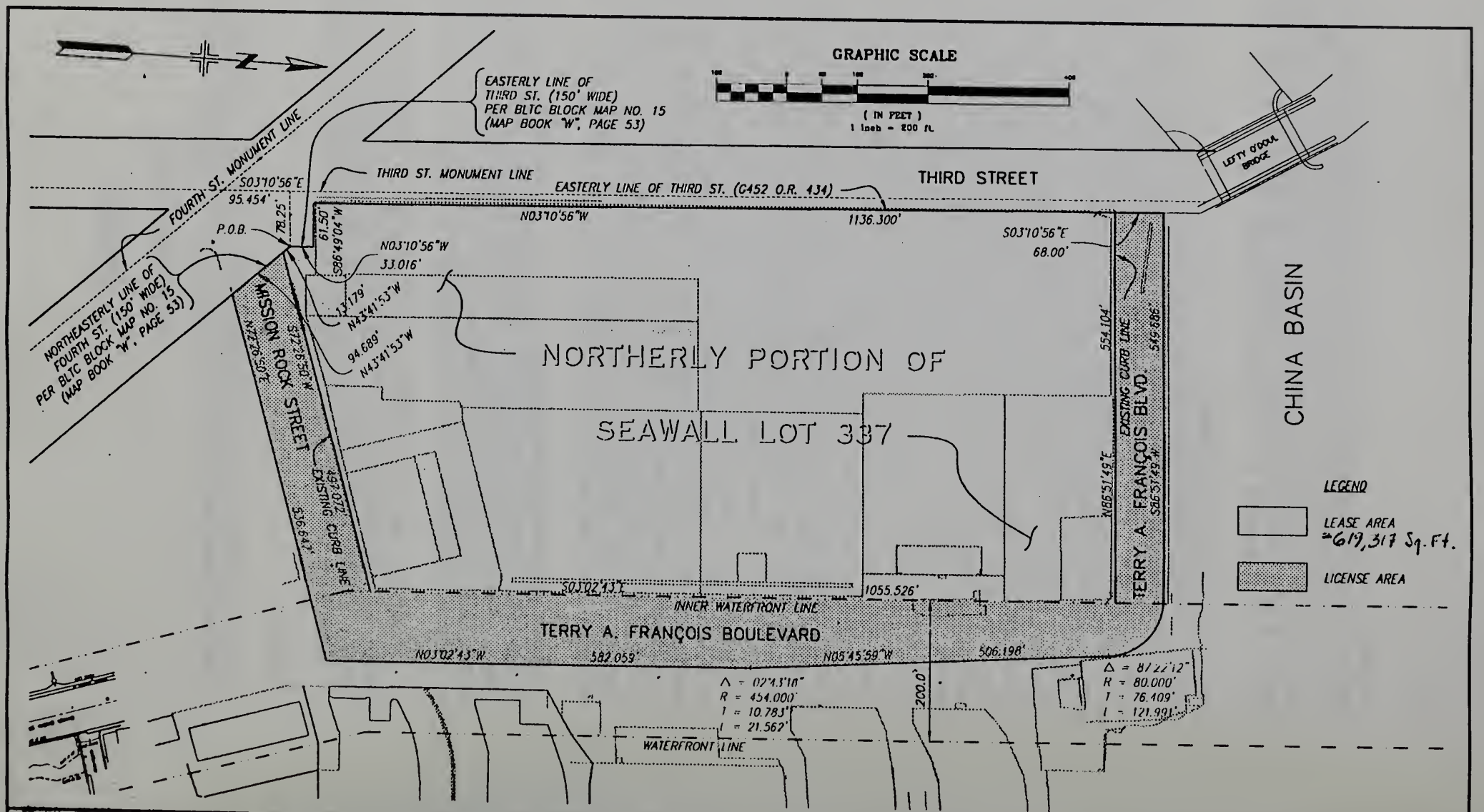
RESOLVED, that the Port Commission hereby approves the sublease between CBBC and Imperial incorporating the business terms set forth in the Memorandum of Agenda Item 5A for the Port Commission meeting on July 28, 1998, substantially in the form on file with the Port Commission Secretary for this item; and be it further

RESOLVED, that the Port Commission hereby approves Imperial as the parking operator for the Premises under the Lease; and be it further

RESOLVED, that the Port Commission hereby approves the Consent, Non-Disturbance, Attornment and Estoppel Agreement described in the Memorandum of Agenda Item 5A for the Port Commission meeting of July 28, 1998, substantially in the form on file with the Port Commission Secretary, and authorizes the Executive Director to execute such Agreement in such final form as is approved by the City Attorney, and to take all such further action as is required to implement the sublease to Imperial and to further the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 28, 1998.

_____
Secretary



APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____

PORT OF SAN FRANCISCO

EXHIBIT A

IN CHARGE OF: C. HO
DRAWN BY: AMN
DRAWING NO. PKL014.DWG

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO, CITY OF SAN FRANCISCO, DESCRIBED AS FOLLOWS:

TRACT I:

A LEASEHOLD CREATED BY THAT CERTAIN GROUND LEASE BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, THROUGH THE SAN FRANCISCO PORT COMMISSION, AS LANDLORD, AND CHINA BASIN BALLPARK COMPANY LLC, AS TENANT, DATED AS OF NOVEMBER 26, 1997 (THE "LEASE") IN THE FOLLOWING DESCRIBED LAND:

A PORTION OF SEAWALL LOT 337, MISSION ROCK STREET AND TERRY FRANCOIS BOULEVARD, FORMERLY CHINA BASIN STREET, AS THE SAME ARE SHOWN ON THAT PARTICULAR MAP ENTITLED "SURVEY C" OF THE HARBOR COORDINATE SURVEY, SHEET NUMBER 8127-416-2, ON FILE AT THE OFFICE OF THE SAN FRANCISCO PORT COMMISSION CHIEF HARBOR ENGINEER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF FOURTH STREET (150 FEET WIDE) WITH THE EASTERLY LINE OF THIRD STREET (150 FEET WIDE), AS SAID STREETS ARE SHOWN ON THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY MAP OF MISSION BAY", RECORDED JULY 28, 1992, BOOK Y OF RECORDS OF SURVEY AT PAGES 62-82 (REEL F679, IMAGE 620), IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO STATE OF CALIFORNIA; THENCE ALONG SAID LINE OF THIRD STREET NORTH 03° 10' 56" WEST 33.016 FEET TO AN ANGLE POINT IN THE EASTERLY LINE OF THIRD STREET, AS SAID THIRD STREET APPEARS AFTER THE VACATION OF A PORTION THEREOF PER ORDINANCE NUMBER 271-95 RECORDED AUGUST 24, 1995, IN REEL G452, IMAGE 435, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF THIRD STREET, AS SAID STREET APPEARS AFTER SAID VACATION, THE FOLLOWING COURSES AND DISTANCES: SOUTH 86° 49' O4" WEST 61.50 FEET; NORTH 03° 10' 56" WEST 1130.097 FEET TO THE NORTHERLY LINE OF SEAWALL LOT 337; THENCE CONTINUING NORTH 03° 10' 56" WEST ALONG SAID LINE OF THIRD STREET 6.203 FEET TO ITS INTERSECTION WITH THE SOUTHERLY CURB LINE OF TERRY FRANCOIS BOULEVARD; THENCE NORTH 86° 51' 49" EAST 554.104 FEET ALONG SAID CURB LINE AND ITS EASTERLY PROLONGATION, TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SEAWALL LOT 337, WHICH LINE IS ALSO KNOWN AS THE INNER WATERFRONT LINE; THENCE SOUTH 03° 02' 43" EAST 5.76 FEET ALONG SAID INNER WATERFRONT LINE TO THE NORTHEASTERLY CORNER OF SEAWALL LOT 337, WHICH CORNER IS SHOWN AS POINT CC ON SAID SURVEY "C" MAP; THENCE CONTINUING SOUTH 03° 02' 43" EAST 1,049.766 FEET ALONG THE EASTERLY LINE OF SEAWALL LOT 337 TO ITS INTERSECTION WITH THE NORTHEASTERLY PROLONGATION OF THE NORTHERLY CURB LINE OF MISSION ROCK STREET; THENCE SOUTH 72° 26' 5O" WEST 497.072 FEET ALONG LAST SAID CURB LINE OF MISSION ROCK STREET AND ITS SOUTHWESTERLY PROLONGATION TO THE NORTHEASTERLY LINE OF SAID FOURTH STREET; THENCE ALONG SAID LINE OF FOURTH STREET NORTH 43° 41' 53" WEST 13.179 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL SUBSURFACE MINERAL DEPOSITS, INCLUDING OIL AND GAS DEPOSITS, TOGETHER WITH THE RIGHT FOR EXPLORATION, DRILLING AND EXTRACTION OF SUCH MINERAL, OIL AND GAS DEPOSITS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY THE STATE OF CALIFORNIA IN CHAPTERS 1333, STATUTES 1968 AND AMENDMENTS THERETO, AND UPON THE TERMS AND PROVISIONS SET FORTH THEREIN.

PORT OF SAN FRANCISCO

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MEMORANDUM

July 22, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Construction Contract No. 2653, "Maintenance Dredging For Pier 35 East"

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZES THE EXECUTIVE DIRECTOR TO AWARD CONTRACT NO. 2653 TO DUTRA DREDGING COMPANY

The Port Commission authorized the advertisement of Construction Contract No. 2653 at the regular meeting on June 9, 1998. Bids were received on July 7, 1998. There were two bidders and a Bid Summary is attached. Dutra Dredging Company was the low bidder at $199,943. The Contract includes the required maintenance Dredging at Pier 35 East to accommodate current cruise ship requirements. Dredging work includes provisions for in-bay disposal of dredge sediments at the Alcatraz dumpsite. The contract provides for construction mobilization requirements and 47,942 cubic yards of dredge material. The dredging will be performed during the month of August of this year.

Staff recommends award of the contract for $199,943, authorization for a 15% contingency to cover uncertainties in the quantity of dredging required, and authorization for the Executive Director to accept the work once it is complete.

Prepared by: Cliff Jarrard
Chief Harbor Engineer

THIS PRINT COVERS CALENDAR ITEM NO. **6A**

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-66

WHEREAS, Port Operations require maintenance Dredging at Pier 35 East to accommodate current cruise ship requirements; and

WHEREAS, the Commission authorized the advertisement of Contract 2653 at its regular meeting of June 9, 1998; and

WHEREAS, bids were received on July 7, 1998 and Dutra Dredging Company was the low bidder at $199,943; and

WHEREAS, dredging work includes provisions for in-bay disposal of dredge sediments at Alcatraz dumpsite; and

WHEREAS, contract includes construction mobilization requirements and 47,942 cubic yards of dredge material; now therefore be it

RESOLVED, that the Port Commission authorize the award of Contract No. 2653 to Dutra Dredging Company for $199,943, authorizes a 15% contingency to cover uncertainties in the quantity of dredging required, and authorization for the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 28, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Project: Maintenance Dredging for Pier 35 East
Contrac 2653 **Project Engineer:** Seng Kwok **Bids Opened:** July-7-98

			Bidder Name Address City, State, Zip Phone #	Dutra Dredging Company 1000 PT San Pedro Road San Ralael, CA 94901 415- 458-5466	Bidder Name Address City, State, Zip Phone #	Great Lakes Dredge & Dock Company 2122 York Road Oak Brook, Illinois 60523 603-574-3000
Bid Item #	**Description**	**Estimated Quantity**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**
LS-1	Mobilization (Refer to section 01505 for all the requirements for this item	NA	$70,500.00	$70,500.00	$295,000.00	$295,000.00
UP-1	Pier 35 East (Dredging at this site and disposal of dredge material at	47,942CY	$2.70	$129,443.40	$4.75	$227,724.50
	Totals			$199,943.40		$522,724.50

G:\project\dredging\2653\Bid Summary.wk4

BID SUMMARY: Required Forms

PORT OF SAN FRANCISCO

Prepared By: Seng Kwok
Checked By:
Date:7/8/98

Project: Maintenance Dredging for Pier 35 East
Contract No.: 2653 **Project Engineer:** Seng Kwok **Bids Opened:** 7-Jul-98

		Bidder Name	Dutra Dredging Company	Bidder Name	Great Lakes Dredge & Dock Company
		Address	1000 PT San Pedro Road	Address	2122 York Road
		City, State, Zip	San Rafael, CA 94901	City, State, Zip	Oak Brook, Illinois 60523
		Phone #	415- 458-5466	Phone #	603-574-3000
Required Forms	Document #	Yes (Y)	No (N)	Yes (Y)	No (N)
Bid	00300	Y		Y	
Addenda Acknowledgement		Y		Y	
Schedule of Bid Prices	00302	Y		Y	
Schedule of Unit Prices	00304	Y		Y	
Bid Bond	00411	Y		Y	
Experience & Financial Qualifications	00420	Y		Y	
List of Subcontractors	00430	Y		Y	
Non-Collusion Certification	00481	Y		Y	
HRC Form 1		n/a		n/a	
HRC Schedule A (as applic, by 5pm)		n/a		n/a	
HRC Schedule L (as applic, by 5pm)		n/a		n/a	
HRC Form 2A		n/a		n/a	
HRC Form 2B		n/a		n/a	
HRC Form 3		Y		Y**	
HRC Form 12B-101		Y		Y	
HRC Form 12B-102		n/a		n/a	
HRC Form 12B-103		n/a		n/a	
Apprenticeship Program	00490	Y		Y	
Business Tax Reg Declaration	00491	Y		Y	
Highest General Prevailing Wage	00492	Y		Y	
Equal Opp Empl & Bus Practices: LD	00493	Y		Y	
MacBride Principles	00494	Y		Y	
Deemed Responsive by Engin & HRC (Y/N) ?					

Total Bid →		from other page	$199,943.40	$522,724.50
PREFERENCES (as applicable):				
MBE	10%	($)	n/a	n/a
WBE	10%	($)	n/a	n/a
LBE	5%	($)	n/a	n/a
JV	5%	($)	n/a	n/a
JV	7.5%	($)	n/a	n/a
JV	10%	($)	n/a	n/a
Adjusted Bid →			n/a	n/a

**: Not Complete
n/a : Not Applicable
G:\projects\dredging\2653\bid-summary.wk4

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

July 23, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Recommendation on Selection of Developers to Invite to Submit Proposals for Design, Rehabilitation and Lease of the Ferry Building

DIRECTOR'S RECOMMENDATION: SELECT TRIZECHAHN DEVELOPMENT CORPORATION, MADISON MARQUETTE REALTY SERVICES, WILLIAM WILSON AND ASSOCIATES, AND MENTMORE DEVELOPMENT COMPANY/MILLS CORPORATION AS THE DEVELOPERS TO INVITE TO SUBMIT PROPOSALS FOR DESIGN, REHABILITATION AND LEASE OF THE FERRY BUILDING

This staff report provides information on the four developers who responded to the Ferry Building Request For Qualifications and Proposals: TrizecHahn Development Corporation, Madison Marquette Realty Services, William Wilson and Associates, and Mentmore Development Company/Mills Corporation. The report includes a recommendation that all four developers be invited to submit proposals for design, rehabilitation and lease of the Ferry Building.

A. Introduction and Background

The Ferry Building has long stood as a symbol of the San Francisco waterfront, and is one of the City's most widely and easily recognized landmark buildings. The building serves a vital transportation function as a link between increasingly busy ferry operations on the bayside and existing and planned transit operations on the cityside. The building is also a significant resource for the Port of San Francisco, housing the Port's administrative offices and providing important commercial rental income.

THIS PRINT COVERS CALENDAR ITEM NO. 7A

For the past five years the Port has worked to develop, evaluate and refine alternative concepts for the Ferry Building, in preparation for the issuance of a Request For Developer Qualifications and Proposals.

B. Issuance of Request For Developer Qualifications and Proposals (RFP)

The Port Commission under Resolution No. 98-41 (April 28, 1998) approved issuance of a Request For Developer Qualifications and Proposals (RFP) in May 1998 for design, rehabilitation and lease of the Ferry Building.

The RFP was published on May 15, 1998. Public notice was published in the San Francisco Independent, San Francisco Examiner/Chronicle, Wall Street Journal, Asian Week, Philippine News, Sun Reporter and San Francisco Latino newspapers; the Urban Land magazine; the S.F. Purchasing Department's Bid and Contract Opportunities newsletter; the Small Business Exchange Bid Report; the Hawkins/Mark-Tell Newsletter; National Building News; The Bidder's Compendium; and the Dodge Report. Notices were sent to all those who had previously requested notice, the Human Right's Commission listing of certified architects, landscape architects and engineers, the Port's community organization list, Plan Rooms, and others that Port staff believed may have interest in responding to the opportunity. During this process more than 400 copies of the RFP were distributed to parties including developers, building and design professionals, public agencies, non-profit organizations and individuals.

A pre-submittal meeting was held on June 3, 1998 in the Port Commission Room. There were about 80 individuals in attendance at the meeting, following which a tour of the building was conducted. A summary of questions and answers was provided to all parties that were provided a copy of the RFP by the Port.

C. Summary of Developer Responses

TrizecHahn Development Corporation, Madison Marquette Realty Services, William Wilson and Associates, and Mentmore Development Company/Mills Corporation responded to the Ferry Building Request For Qualifications and Proposals by the June 28, 1998 deadline. Listed in the order received, their development team and general concept for development are summarized below. A comparison table attached to this memorandum provides more additional information on each response, and includes other projects the developer and development team have undertaken.

Based on the information provided in the initial response, all four developers appear to have the ability to finance the Ferry Building project. The Port staff will continue to do due diligence on each respondent during the Proposal phase of the RFP.

♦ TRIZECHAHN DEVELOPMENT CORPORATION

Development Entity: TrizecHahn Development Corporation would create a special-purpose entity, affiliated with and 100% owned by the TrizecHahn Development Corporation.

Key Personnel: David Malmuth, Senior Vice President

Identified Team Members

Architecture: Ehrenkrantz, Eckstut and Kuhn Architects (design concept), Gensler and Associates (architect of record, leasing schemes and construction documents, restoration/tax credit issues, and regulatory contacts), Historic Resources Group (preservation)

Engineering: Vickerman-Zachary-Miller (VZM TransSystems) (marine and civil engineering on pier system or hydrology), Simpson Gumpertz and Heger (structural and civil engineering).

Previous Developer Experience: Hollywood and Highland, Hollywood; CN Tower, Toronto; Park Meadows, Denver; West End City Center, Budapest; Horton Plaza, San Diego; Larimer Square, Denver; Desert Passage at Aladdin, Las Vegas

Development Concept

Ground Floor: Food and flower market, restaurants, compatible retail uses, convenience services, special events, specialty leasing program for outdoor areas.

Upper Floors: Restaurants on south wing, office space

♦ MADISON MARQUETTE REALTY SERVICES

Development Entity: Madison Marquette Realty Services would create a single asset limited partnership (LP) or a limited liability corporation (LLC), with Madison Realty Partnership serving as the general partner of the LP or the managing member of the LLC.

Key Personnel: Paul Heiss, Vice President, Western Region

Identified Team Members

Architecture: Field Paoli Architects, Patricia O'Brien Landscape Architecture, Antonia Bava Landscape Architects, Page and Turnbull (preservation)

Engineering: Forell-Elsesser (structural engineering), Gayner Engineers (electrical, mechanical engineering)

Other: Plant Construction Company (general contractor), ARS (codes), Don Todd and Assoc. (cost estimating), Macy and Associates (marketing), and H. Blount Hunter Retail and Real Estate Research (market research)

Previous Developer Experience: NikeTown, San Francisco; 601 Pine Street/Old Navy Flagship, Seattle; Fountain Place, Cincinatti; The Gardens on El Paseo, Palm Springs; University Park Village, Fort Worth; Bell Tower Shops, Ft. Meyers, FL; Beverly Hills Village, Beverly Hills; Emeryville Town Center, Emeryville.

Development Concept

Ground Floor: Food market, compatible retail uses, restaurants, outdoor kiosks

Upper Floors: Home furnishings or housewares showrooms, health club, entertainment uses

- **WILLIAM WILSON AND ASSOCIATES**

Development Entity: William Wilson & Associates (WWA) would be Managing Member of a limited liability company to be formed for the Ferry Building project.

Key Personnel: Richard Springwater, Vice President; Chris Meany, Project Manager

Identified Team Members

Architecture:	SMWM (architecture), Page and Turnbull (preservation)
Engineering:	Rutherford and Chekene (structural engineering)
Others:	Plant Construction Company (general contractor), The Jefferson Company (economic development and diversity program).
Previous Developer Experience:	Flood Building, San Francisco; The Gap Headquarters, San Francisco; Bayhill Office Center, San Bruno; Franklin Plaza, San Mateo; Wells Fargo Center, Sacramento; Oracle Corporate Campus, Redwood City; Broadway Pointe, Walnut Creek; Francisco Bay Office Park, San Francisco

Development Concept

Ground Floor:	Food market, restaurants, compatible retail uses, kiosks
Upper Floors:	Office space, conference center

- **MENTMORE DEVELOPMENT COMPANY AND MILLS CORPORATION**

Development Entity:	The Mentmore Development Company (a subsidiary of Mentmore Holdings Corporation) and the Mills Corporation would form a limited liability company (LLC) comprised of Mentmore Development Company and an affiliate of the Mills Limited Partnership, each holding 48% of the entity . Additionally, two team members, Vernon DeMars and Claudine Cheng, would be limited partners, each holding a 2% interest.
Key Personnel:	Robert Mendelsohn, President, Mentmore Development Company; Edward Vinson, Group Vice President, Development, The Mills Corporation

Identified Team Members:

Architecture:	Patri Merker Architects, DeMars Maletic Architects, Robin Chiang & Company (architecture), Stevens and Associates (architecture), Architectural Resources Group (preservation)
Engineering:	Takahashi Consulting Engineers, Inc. (mechanical, electrical), NBA Engineering (mechanical, electrical, construction management & inspection), SOHA Engineers (building design and rehabilitation), EQE (seismic engineers)
Other:	Geo/Resource Consultants, Inc. (environmental remediation, geotechnical), John Warren and Associates, Inc. (transportation), Korve Engineering (transportation), Morse Diesel (construction), ERA (marketing), Whitney Cressman Limited (marketing), Kim Fraser Associates (marketing), Claudine Cheng (legal), Gregory J. Ryken (legal), James Haas (legal), Barnes Clarke (Community and Governmental Relations), SBB Communications (community outreach & public involvement), Real Estate Planning Strategies (regulatory processes), Thorburn Associates (acoustical & audiovisual), Horton-Lees Lighting Design Inc., Saylor Consulting Group (cost estimating).

Previous Developer Experience:

Mentmore	Georgetown Park, Washington, D.C.; The Portals, Washington, D.C.; Market Square, Washington, D.C.; Washington Harbor, Washington, D.C.; Brentwood General Mail Facility, Washington, D.C.
Mills Corporation:	Franklin Mills, Philadelphia; Potomac Mills, Maryland; Sawgrass Mills, Sunrise, FL; Gurnees Mills, Gurnee, IL; Ontario Mills, Ontario, CA; Grapevine Mills, Grapevine, TX; Arizona Mills, Tempe, AZ

Development Concept

Ground Floor:	Retail, restaurants, entertainment
Upper Floors:	Office space, some retail and restaurants

D. Recommendation

A selection panel consisting of representatives from the Port, Mayor's Office and Redevelopment Agency, with assistance from Keyser Marston Associates Inc., reviewed and evaluated the four developer and development team responses. The selection panel concluded that all four respondents were qualified, worthy of further consideration and should be invited to submit a proposal.

The Port staff have reviewed and evaluated the responses and the selection panel's recommendation, and recommend to the Commission that the four respondents be invited to submit proposals for the Ferry Building project. The recommended deadline for receipt of these proposals is Tuesday, September 15, 1998.

Prepared by: Paul Osmundson
Director of Planning and Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-70

WHEREAS, Charter Section 3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, over the past five years, Port staff have worked with consultants and other experts, and hosted public meetings and workshops, to develop, evaluate and refine alternative concepts for the Ferry Building and evaluate their financial feasibility; and

WHEREAS, the Port Commission by Resolution No. 98-41 on April 28, 1998, authorized Port staff to issue a request for qualifications and proposals ("RFP") for design, rehabilitation and lease of the Ferry Building; and

WHEREAS, the Port staff published the RFP on May 15, 1998, provided extensive public notice by publication and mail, and distributed more than 400 copies of the RFP to interested parties; and

WHEREAS, four developers, TrizecHahn Development Corporation, Madison Marquette Realty Services, William Wilson and Associates, and Mentmore Development Company/Mills Corporation, responded to the RFP (the "respondents"); and

WHEREAS, a selection panel consisting of representatives of the Port staff, Mayor's Office and San Francisco Redevelopment Agency, assisted by a principal of Keyser Marston Associates, Inc., has reviewed and evaluated the responses and recommended to Port staff that all four respondents be invited to submit proposals for design, rehabilitation and lease of the Ferry Building; and

WHEREAS, the Port staff has reviewed and evaluated both the developer responses and the selection panel recommendations, and recommends that all four respondents be invited to submit proposals for design, rehabilitation and lease of the Ferry Building; and

WHEREAS, the Port Commission has reviewed and evaluated the developer responses and has reviewed the Port recommendation set forth in the Memorandum to Port Commissioners dated July 23, 1998, and has determined that all four respondents meet the qualification requirements for design, rehabilitation and lease of the Ferry Building; and

WHEREAS, an invitation to the four respondents to submit proposals for design, rehabilitation and lease of the Ferry Building does not commit the Port to proceeding with the project, and the Port will not approve any lease or development agreement for the project until there has been complete compliance with the California Environmental Quality Act ("CEQA"); and

WHEREAS, Port Commission policy and City Charter provisions require competitive bidding of this opportunity; now, therefore, be it

RESOLVED, that the Port Commission hereby selects TrizecHahn Development Corporation, Madison Marquette Realty Services, William Wilson and Associates, and Mentmore Development Company/Mills Corporation as the developers to submit proposals for the design, rehabilitation and lease of the Ferry Building.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 28, 1998.

_____
Secretary

RESPONDENTS TO FERRY BUILDING REQUEST FOR DEVELOPER QUALIFICATIONS AND PROPOSALS
(Listed in Order received)

	TrizecHahn	Madison Marquette	William Wilson	Mentmore Mills
Development Entity; Signatories to Transmittal Letter	TrizecHahn Development Corporation; David Malmuth	Madison Marquette Realty Services; John Boorn	William Wilson & Associates; Richard Springwater & Christopher Meany	Mentmore Development Company, a subsidiary of Mentmore Holdings Corporation, and Mills Corporation; Robert Mendolsohn
1. Identification and type of legal entity	Special purpose entity affiliated & 100% owned by TrizecHahn Development Corporation	Ownership entity would be a single asset limited partnership (LP) or a limited liability corporation (LLC)	WWA Investors, LLC will be the Managing Member of a limited liability company to be formed to master lease and to develop the Ferry Building	Limited liability company (LLC) of Mentmore Development Company (LLC) and an affiliate of Mills Limited Partnership, each holding 48% of entity & equally responsible for provision of all required equity & securing necessary debt financing.
Joint venture/ limited partners	none	Madison Realty Partnership serving as the general partner of the LP or the managing member of the LLC. The equity committed to the entity is generally 25%-35% of the project cost	WWA will provide (directly or through its investment partners) 100% of equity	Vernon DeMars, architect, & Claudine Cheng, co-counsel, will be limited partners w. 2% each but no financial responsibility.
2. Intended role of each development partner	none	Madison Marquette will oversee all development functions of the project development team, including managing the public removal	WWA will manage redevelopment and, upon completion, will manage the Ferry Building.	Mentmore and Mills will be joint developers

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
		process, design, construction, financing, leasing and ongoing operations		
Responsible entity for ongoing management	TrizecHahn	Madison Marquette	William Wilson & Associates	Mentmore will manage office portion and Mills the retail/entertainment portion
3. Project manager and key individuals	Various corporate officers including David Malmuth, Sr. Vice President, Development (signatory) and Laura Becker, Project Manager. TrizecHahn has Development, Marketing, Leasing and Management Divisions	Bob Little, Sr. Vice President Development, Paul Heiss, Vice President Western Region, Project Development Director. Madison Marquette has Leasing, Development, Construction and Marketing Teams	William Wilson—strategic direction, special emphasis entitlements, design & financing Richard Springwater—share day-to-day mngmt responsibility with specific responsibility for offices Christopher Meany— share day-to-day mngmt responsibility with specific responsibility for retail Terence Reagan—construction management	Edward Vinson, Mills' Group Vice President, Development—project manager for retail entertainment portion. Mentmore has identified a well-qualified & experienced manager for the office portion, currently completing another assignment, and if asked will disclose his name and credentials in confidence
4. Consultants Identified				
Marketing		Macy & Associates (Marketing) H. Blount Hunter Retail & Real Estate Research (Market research)		ERA Whitney Cressman Limited Kim Fraser Associates
Architecture	Ehrenkrantz, Eckstut & Kuhn Architects for design concept including exteriors; Gensler & Associates as architect of record, leasing schemes and construction	Field Paoli Architects Patricia O'Brien Landscape Architecture Antonia Bava Landscape Architects	SMWM	Patri Merker Architects DeMars Maletic Robin Chiang & Company Stevens & Associates

	documents, restoration/tax credit issues, and regulatory contacts			
Historic preservation architecture	Historic Resources Group for preservation criteria, research, and implementing tax credit application	Page & Turnbull	Page & Turnbull	Architectural Resources Group
Engineering (inc. preservation expertise)	Vickerman-Zachary-Miller (VZM TransSystems) marine & civil engineering on modifications to pier system or hydrology, or water's edge; Simpson Gumpertz & Heger structural and civil engineering with restoration experience in structural & facade work	Forell-Elsesser (Structural) Gayner Engineers (electrical, mechanical)	Rutherford & Chekene	Takahashi Consulting Engineers, Inc. (mechanical, electrical) NBA Engineering (mechanical, electrical, construction management & inspection) SOHA Engineers (building design & rehabilitation) EQE (seismic) Geo/Resource Consultants, Inc. (environmental remediation, geotechnical) John Warren & Associates, Inc. (transportation engineering) Korve Engineering (transportation)
General contractor		Plant Construction Company	Plant Construction Company (shell renovation)	Morse Diesel
Legal				Claudine Cheng Gregory J. Ryken James Haas
Other		ARS (codes)Don Todd & Assoc. (cost estimating))	The Jefferson Company (economic development & diversity program)	Barnes Clarke (community & governmental relations) SBB Communications

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
				(community outreach & public involvement) Real Estate Planning Strategies (regulatory processes Thorburn Associates (acoustical & audiovisual) Horton–Lees Lighting Design Inc. Saylor Consulting Group (cost estimating)
5. Lead negotiator	David Malmuth, Sr. Vice President, Development, to negotiate terms with Port	Warren Fink, Sr. Vice President of Acquisitions and Robert Little, Sr. Vice President of Development	Richard Springwater and Christopher Meany	Robert Mendolsohn, President & CEO of Mentmore Development Co., will lead negotiations & be responsible for overall project coordination
Identification of any limitations to bind	Provides liaison with management on all approvals, including negotiations; terms of negotiations require board approval	None identified	The terms and agreements will only become binding when fully documented and duly executed by both the Port of San Francisco and WWA	No limitations on ability to contractually bind entity in negotiations
6. Identification of local, minority, and women-owned businesses in development and design	Will develop diversity program which encompasses design, construction, leasing & operation, monitored to ensure that goals are measured & maintained.	Field Paoli, local Plant Construction, local Macy & Associates, L/WBE *Other WBE or MBE:* Patricia O'Brien Land. Arch. Antonia Bava Land. Arch. ARS Gayner Engineers Don Todd & Associates	All key project team members are local, SMWM is a WBE	Barnes Clarke, WBE SBB Communications, WBE Real Estate Planning Strategies, L/WBE Robin Chiang & Co., L/MBE Stevens Assoc., L/MBE Thorburn Assoc., WBE Horton-Lees Lighting

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
				Design, Inc., L/WBE Saylor Consulting Group, L/WBE Takahashi Consulting Engineers, Inc., L/MBE NBA, L/WBE John T. Warren, MBE SOHA, L/WBE Geo/Resource Consultants, Inc., L/M/WBE KimFraser Assoc. is SF/women-owned business but not currently registered
Goals for diversity in design, construction & leasing	Will meet cooperatively with Port to establish goals & objectives specific to needs and expectations	none listed	WWA is committed to developing a program to include minority and women-owned businesses in the design, construction and leasing of the project.	Per team's composition, will provide employment & engagement opportunities for members of minority groups & females & will continue to engage significant numbers in all roles. Will seek & maintain contact with sources of propspective minority & female employees; provide opportunities for internal training & upgrading; support established technical programs for minorities & females; periodically review use of minorities & females.

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
Evidence of Business Relationships	Lists broad spectrum of retail and entertainment relationships	Lists examples of tenants with whom negotiated, signed and successfully completed deals, by project	Cites long-term relationships based on their integrity & superior service provided	Includes World Trade Club letter re confident can work together for mutually satisfactory arrangement for WTC's continued occupancy
Retail tenants	None listed	Lists retail tenants	Lists current retail tenants	
Office tenants	None listed	None listed or proposed	Lists current office tenants	Includes Whitney Cressman Ltd. letter re Ferry Building's ability to benefit from strong office market
General Concept for Development	Ferry Building, enlivened by new people-oriented uses & respectful restoration, represents fulfillment of CA's early promise & emblem of prospects for future. Clock Tower & surrounding properties should be part of development concept. Key Ideas: role as Gateway to City & Bay w. addition of new transportation services; history of building & signature tower as symbol of SF's importance as cultural heart of CA & its influence on nation; purveyor's of CA's abundant natural riches	Greatest role as gathering place for SF residents & visitors to enjoy City's wealth of history & scenic waterfront—wonderful opportunity for unique entertainment & shopping environment	Recreate near full length of Nave from ground floor to roof.	Create destination offering business, entertainment & retail features reflecting its civic & international role & stature of the location & structure; grand & functional transportation terminal, focal point for international business & trade, gathering place for international & domestic visitors and for residents; one of SF's most important destinations.

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
Ground floor narrative	New uses should address both residents & visitors. Develop foundation of temporary farmer's market, w. permanent small-scale farmer oriented venue for finest in fresh foods—produce, meat, dairy, fish, ethnic foods, fancy foodstuffs, & other food of CA or Pacific Rim; celebrate CA's diversity & create location where all foods for all CA cuisines can be purchased, sampled, consumed. Market Hall on south under Nave w. farmer truck Market Stalls, surrounded by fixed market stalls of vendors having more extensive support requirements. Extensive flower market in high traffic area, & extensive areas for meat, fish, cheese, etc. Restaurants & cafes on 2 levels surround Market Hall, creating home for smaller local restauranteurs w. neighborhood locations to add high volume locations; deck & arcade	Marketplace environment w. activities spilling out onto public places and waterfront terraces; upscale market w. produce, baked goods, fresh prepared foods for dining in or taking out; strong bookseller; various smaller users & kiosks opening onto public places or reside in plazas, with cafes, dessert & ice cream carts, floral kiosks, periodical sellers, kites, game kiosks, etc. Restaurants play vital role creating celebrated meeting place, capitalizing on waterfront views & outdoor dining to extend into plazas; some second story restaurants with bay views.	High quality food emporium w. best of SF's restaurants, food producers & purveyors, combining fresh air food market with shops offering unusual prepared foods & small restaurants for unique celebration of SF's multicultural culinary life; two walkways through building N/S through Nave & E/W under Clock Tower; 15' arcades on cityside, enclosed arcades w. canopy on bayside; shops front on cityside, bayside & both sides of Nave walkway; smaller shops on cityside, larger shops & restaurants on bayside; retail serving ferry passengers on Clock Tower walkway; kiosks in all walkways; potential parking are behind retail east of Nave	Varied & integrated to create stimulating complex of weekday, weekend & evening activities. Hub for international trade, shopping, recreation, entertainment, education & culture, associated w. upper floor business-oriented services & facilities. Maximum advantage of foot, transit, vehicular & marine traffic in area and contribute to each traveller's SF experience. Branded retail anchors focussing on cutting edge technologies, exciting entertainment retail. International travel center w. national tourism promotion agencies & tour operators; international gourmet foods; handicrafts & custom-designed goods. Upscale adaptation of successful Mills concept, retail venues w. multiple uses & range of dining, comfortable areas to encourage longer stays. CA showcase w. historic displays of Ferry Building

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
	areas enable spillover. Higher-profile local restauranteurs w. corner ground level and terrace-level vista locations; possible chefs' training center. Compatible businesses complementing food offerings, e.g., home, garden, CA & SF history, nautical & transportation artifacts, architecture, local bookstore, commuter & visitor conveniences & services, special event facilities. Specialty leasing programs for Ferry Plaza & new Embarcadero plazas, extending culinary & nature-market concepts, and possibly maritime.			& maritime, historic travel; may include gallery for traveling/rotating exhibits; wine shop & exposition; multimedia & local technology linked to upper level cyber-conference center; international themes in bistros, indoor outdoor cafes, replicas of world-famous bars; ethnic music performance venues & restaurants. 3-Story central atrium w. museum quality displays, shops, cafes. Plaza freestanding kiosks, retail outlets, recreation opportunities
Upper floor narrative	N & S lobbies in Nave at each end incorporating arched windows. Class A office uses surrounding the Market Hall & Terminal uses w. Port & World Trade complex requirements	Home furnishings & housewares for larger showroom users; upscale health club; live or interactive entertainment venues including music, technology & sports thems	General office space; conference center and Port Commission meeting room across from lobby with Great Seal of California, accessed by N & S staircases; glazing along Nave walls, with 25' office depths on cityside, 75' on bayside	Reinforce & restore role as center for international business & trade, focusing marketing & leasing efforts on public trust uses. Offices, meeting rooms, cyber-conference center facilities, & some ground floor entertainment retail & dining uses will extend upwards.

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
Project Schedule	Construction begins Sept. 2000, Opening Dec. 2001	Construction begins March 2000, Opening May 2001	Construction begins July 2000, Opening Dec. 2001	Construction begins Sept. 1999, Major tenants occupancy Nov. 2000

CONSULTANT EXPERIENCE (This table provides excerpts from the Developer Responses but is not intended to be complete.)

Relevant Consultant Experience:	TrizecHahn	Madison Marquette	William Wilson	Mentmore Mills
Commercial/retail projects (listed here only when not listed below under Waterfront or Historic)	**Ehrenkrantz Eckstut & Kuhn:** Newport Office Tower, Jersey City; Pavonia/Newport PATH Station, Jersey City; Hollywood & Highland Retail/ Entertainment District, Los Angeles; Circle City Mall and Artsgarden, Indianapolis; Gateway Center, LA **Gensler:** The Gap stores, various; Ann Taylor, NY; North Face, Chicago **Simpson Gumpertz & Heger:** Washington/Battery; Behring Auto Museum, Blackhawk CA	**Field Paoli:** Stanford Shopping Center; Draeger's Marketplace; Stonestown Galleria	**SMWM:** YBG Sony Entertainment Center, 376,000 sf retail & cinemas, nearing completion; Apple office buildings in Campbell, 350,000 sf; Premium Tobacco headquarter's office building **Plant Construction Co:** Saks Fifth Ave. Union Square; Gump's, Disney Store Union Square; Borders Books & Music, 400 Post **Jefferson:** Executive Park; Lower Fillmore Street Retail Development Plan	**ERA:** Yerba Buena Center; Santa Monica Third Street Mall; La Cantera Entertainment Village, San Antonio; Radio City Music Hall, NY; Warner Bros. Studio Center, Burbank; Hollywood Entertainment Center, Hollywood; Blockbuster Entertainment, FL; Birtcher Development; 42nd Street Center, NY; Great America, Santa Clara; Ayala Center, Philippines; Expo 88 Site, Brisbane **Whitney Cressman Limited:** Van Ness Center, 995 Market, 704 Sansome, One Jackson Pl, Hong Kong Gov. Headquarters, Howard/Hawthorne, BofA 625 Market, Pacific Stock Exchange, 222 Kearny, Francisco Bay Office Park, Amanresorts Jackson Square, 101 2nd, 222 & 246 2nd, 16 other office leasing cited, 235 Pine, Hermes; 228-40 Post ,Wilkes

				Bashford, 228 Grant; 185 Post St., 45 Grant; Grant/Geary Center; Computown Center, Hard Rock Café, Atlanta; Pacific Center; AMC Festival Walk, Hong Kong; Camarillo Village Shopping Ctr., CA; The Limited; The Limited; Gump's, 135 Post; 91 Drumm; 220 Post **Kim Fraser Associates, Inc.:** Embarcadero Center; Pier 39; Canal City Hakata, Japan; Grossmont Center, La Mesa; Shoemart, Philippines; Lyon Village, Sacramento; Sonoma Valley Bagel Company; Potrero Center; Marin Gateway City **Patri Merker Associates:** Renovations of One Market Plaza, 525 Market Street, 2 Bryant; California Front; Marathon Plaza; Caltrans Headquarters, Oakland; Arco Tower, Long Beach; California Plaza, Bunker Hill LA; Macy's; Arizona Center, Phoenix; Bally Union Square; Neiman Marcus Dome/Rotunda; Hermes; San Francisco

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
				Center; Neiman Marcus; Sanrio **DeMars & Maletic:** Golden Gateway **Robin Chiang:** SSF Conference Center; SFO Boarding Area G **NBA Engineers:** various
Waterfront development projects (listed here only when not listed below under Historic)	**Ehrenkrantz Eckstut & Kuhn:** Inner Harbor East, Baltimore; Queensway Bay, Long Beach*; Battery Park City, NY; South Cove Park & Waterfront, NY; Newport Master Plan, Jersey City **VZM/TranSystems:** Honolulu Harbor facilities rehabilitation; Passenger Ship Terminal, NY; Queensway Bay, Long Beach*; Waterfront Master Plan, Antioch; Pier 30-32 Cruise Terminal		**SMWM:** Mission Bay* public process and design guidelines, underway, SF; Hunters Point Naval Shipyard* planning, urban design & public involvement; Staffer Evan Rose worked on Port's Waterfront Land Use Plan Design & Access development guidelines* **Rutherford & Chekene:** Aquarium of the Pacific, Long Beach*; Monterey Bay Aquarium*; Pacific Bell Park* **Jefferson:** Mission Bay*; Pacific Bell Park*; Hunters Point Shipyard Reuse Plan*	**ERA:** Baltimore Inner Harbor/National Aquarium; Charles Center Inner Harbor; Pier 39*; Queensway*, Long Beach; Portion of Old Port of Barcelona **Patri Merker Architects:** Scandanavia Cruise Center*; Port of San Diego Convention Center*; Great Entertainment Mall, Phillipines; Otsu Entertainment Ctr, Japan; Open Sesame; Sanrio **DeMars & Maletic:** Old Sacramento Waterfront **Robin Chiang:** Islais Creek Master Plan & Dev.*; Waterfront Hotel, Spain **Stevens & Associates:** Embarcadero Plaza; Scandinavia Cruise Terminal*; Redwood Shores Hotel, Redwood

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
				City; Hills Plaza; Fisherman's Wharf public access; Richmond Marina Bay Park/Waterfront Drive
Other development projects with public entities (listed here only when not listed elsewhere)	**Gensler:** 1660 Mission Planning Dept. & Dept. of Building Inspection space planning		**SMWM:** SF New Main Library (in association w. Pei Cobb Freed & partners; De Young Museum relocation sites concepts; Transbay 20/20 Concept Plan **Rutherford & Chekene:** Justice Dept. Office Building, Sacramento **Jefferson:** SE Community Multi-Service Facility; Youth Guidance Center	**Kim Fraser Associates, Inc.:** Cities of Richmond, Long Beach & Berkeley
Historic rehabilitation	**Ehrenkrantz, Eckstut & Kuhn:** Alexander Hamilton U.S. Custom House, NY; The Police Building, NY; Science City @ Union Station, Kansas City; Union Pier Terminal, Charleston; The Dakota Apartments, NY; Federal Reserve Bank of New York; Old 83rd Police Precinct, Brooklyn; Old Executive Office Building, Washington; Swarthmore College Trotter Hall Renovation; Pratt Institute Memorial Hall and Higgins Hall restoration,	**Field Paoli:** Paseo Nuevo Downtown; 1000 Van ness Avenue; **Plant Construction Company:** Bank of San Francisco; The Shell Building; The Flood Building; **Page & Turnbull:** 1978 Design Guidelines for the Ferry Building; Civic Center State Office Building; Stanford University Education Building; PG&E Headquarters Buildings; US Post Office & Court of Appeals; Joseph Musto Estate	**SMWM:** Pier 1; PG&E Headquarters Buildings **Page & Turnbull:** 1978 Design Guidelines for the Ferry Building; Civic Center State Office Bldg; Stanford Univ Education Building; PG&E Headquarters Buildings; US Post Office & Court of Appeals; Joseph Musto Estate Company, SF; Geary Theater; Sheraton Palace Hotel; 1000 Van Ness; Continental Development Corp Ferry Building	**ERA:** Faneuil Hall Marketplace, Boston; El Pueblo Historic Area, LA **Whitney Cressman Limited:** 222 Second Street; 235 Pine Street **Patri Merker Associates:** Hills Plaza; Ritz Carlton; Monadnock; Omni Hotel; Phelan Bldg; 833 Market **DeMars & Maletic:** The Golden Gateway **Architectural Resources Group:** Ferry Building Feasibility Analyses*; Pier 70*; Fort Mason Complex*;

RFQ Category	TrizecHahn	MadisonMarquette	William Wilson	Mentmore Mills
	Brooklyn **VZM/TranSystems:** Union Pier Redevelopment, Charleston; Mare Island Historic Building Modification; Overland Hotel Renovation, Oakland; Aloha Towers Waterfront, Honolulu **Gensler:** Geary Theater; Gump's; Levi Strauss Stern Building; 417 Montgomery; Fairmont Hotel; 901 Market; Pacific Center, 240 Post; One Union Square; 4th & Market; Masonic Building, Denver **Historic Resources Group:** Union Station, LA; Shrine Auditorium, LA; Mary Andrews Clark YWCA, LA; Fox Studio, LA; Egyptian Theatre, Hollywood; Casa Del Mar, Santa Monica; UCLA **Simpson Gumpertz & Heger:** UC Hospital, SF; Clayton Civic Center; Broadlake Plaza, Oakland	Company, SF; Geary Theater; Sheraton Palace Hotel; 1000 Van Ness Avenue auto showroom to multiplex cinema; Continental Development Corporation Ferry Building Proposal, early '80s; Golden Gate Park Conservatory of Flowers: Jesse Street Hotel; Cliff House; Haslett Warehouse; Asian Art Museum	Proposal early '80s; GG Park Conservatory of Flowers: Jesse St. Hotel; Cliff House; Haslett Warehouse; Asian Art Museum **Rutherford & Chekene:** The Cannery; St. Dominic's Church Seismic Upgrade; War Memorial Veteran's Building Seismic Upgrade; Civic Center State Office Building; Hearst Memorial Mining Building, UC Berkeley; Hanna House (Frank Lloyd Wright, architect), Stanford University; Doe & Moffitt Libraries Seismic Upgrade, UC Berkeley; Pier 1 **Plant Construction Co:** Ghirardelli Square; Humboldt Bank Building; Merchant's Ice House @ One Lombard; Presidio Thoreau Center for Sustainability; 400 Post St, Flood Building; 50 Green St.; One Union St. Warehouse; Alcazar Theater	Presidio; One Colorado Blvd, Pasadena; Alcatraz Cell Block Building; Cliff House Rehabilitation*; Mare Island Historic Bldgs, Vallejo*; SF & SSF City Halls; Pasadena City Hall; US Post Office & Court of Appeals; Berkeley Public Library; Sacramento Federal Building **Stevens & Associates:** Defremery Park Recreation Center, Oakland; Excelsior Field House; Conservation Corps Maintenance Buildings, Alamo HS; YMCA Headquarter; Chinatown YWCA; Old Post Office, Fairbanks **Thorburn:** various **Horton-Lees:** various **Saylor Consulting:** Various **Takahashi Cons.:** Various **John Warren:** various **SOHA Eng.:** various **EQE:** various **Geo/Resource:** various **Korve Eng.:** various **Morse Diesel:** various **DonTodd:** various

Developments within BCDC or Coastal Commission jurisdiction are asterisked above

DEVELOPER EXPERIENCE (This table provides excerpts from the Developer Responses but is not intended to be complete.)

Relevant developer experience particularly with retail & commercial uses in historic buildings and/or on waterfronts & with other public entities.

	TrizecHahn	**Madison Marquette**	**William Wilson**	**Mentmore Mills**
	Hollywood & Highland, Hollywood, 640,000 sf retail & entertainment, 3,300 seat theater, opening in 2001	NikeTown, 278 Post St., 80,000 sf, landmark renovation, 1996, $43,000,000	Flood Building, 360,000 sf retail/office, cited for excellence by Heritage & Cal AIA, net income increased 300%	**Mentmore:** Georgetown Park, Washington DC, 300,000 sf urban retail & 128 residential on C&O Canal Park, 1981
	CN Tower, Toronto, 339,000 sf retail/ entertainment, 75,000 sf Ph1 completed, 264,000 sf in Ph2	601 Pine St. 70,000 sf retail renovation, Seattle, Old Navy's flagship store, 1998,	The Gap headquarters, 540,000 sf offices with ancillary ground floor retail, and Rincon Park, groundbreaking 9/98	The Portals, Washington, 3,000,000 sf mixed use, Ph1 440,000 sf office & 22,000 sf retail & parking 1992, Ph2 600,000 sf office, 11,000 sf retail, 1998
	Park Meadows, Denver, 1,500,000 sf retail "rocky mountain lodge resort" center	Fountain Place, Cincinnati, 205,000 sf retail adjacent to Fountain Square, 1997, $26,000,000	Bayhill Office Center for The Gap, Compaq, Aetna, San Bruno	Market Square, Washington, 628,000 sf offices, 60,000 sf retail, 220 residential, 1990
	West End City Center, Budapest, 1.8 msf entertainment, theaters, retail, hotel, plaza	The Gardens on El Paseo, 200,000 sf retail, garage Palm Desert, 1998	Franklin Plaza, San Mateo, 183,00 sf offices w. garage, fitness center, cafe	Washington Harbor along Potomac River at Rock Creek, Washington, 441,000 sf offices, 88,500 sf retail, 36 residential, parking, 1988
	Horton Plaza, San Diego, 891,000 sf retail/entertainment	University Park Village, Ft. Worth, 175,000 sf retail	Wells Fargo Center, Sacramento, offices w. fitness center, pool, travel agency, conference room, restaurants, valet parking	Brentwood General Mail Facility, Washington, 660,000 sf industrial & office, 1987
	Larimer Square, Denver, renovation of historic	Bell Tower Shops redevelopment, 311,000 sf	Oracle Corporate Campus, Redwood City, 5 buildings,	**Mills:** Franklin Mills, Philadelphia, 1.7 msf, 1989

	buildings w. 107,000 sf retail & 73,000 sf office	retail, Ft. Meyers, FL, occupancy increased from 60% to 90%, 1997	1.2 msf, gymnasium, restaurants in all	
	Desert Passage at Aladdin, Las Vegas, 462,000 sf retail/entertainment, 2,600 hotel rooms, 100,000 sf casino, 7,000 seat performing arts center	Beverly Hills open air village w. shopping, entertainment & offices, plaza w. restaurant & café seating, 250,000 sf	Broadway Pointe, Walnut Creek, 165,000 sf retail with 230 car garage, 10/98	Potomac Mills, Woodbridge, VA 1.7 msf, 1985
		Emeryville Town Center, 393,000 sf entertainment village retail project, ground lease w. option to purchase	Francisco Bay Office Park, 285,000 sf, 1976	Sawgrass Mills, Sunrise FL, 1.9 msf, 1990
				Gurnee Mills, Gurnee IL, 1.5 msf, 1991
				Ontario Mills, Ontario CA, 11.2 msf, 1996
				Grapevine Mills, Grapevine TX, 1.1 msf, 1997
				Arizona Mills, Tempe AZ, 1.2 msf, 1997

SAN FRANCISCO
PORT COMMISSION

JULY 28, 1998
MINUTES OF THE REGULAR MEETING

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HON. MICHAEL HARDEMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JULY 28, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:05 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, and Michael Hardeman.

2. APPROVAL OF MINUTES - July 16, 1998 Special Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report. Mr. Wong reported the following:

1) This past weekend, some of the fishermen at Fisherman's Wharf participated in a sale of fish from their boats. There were a total of 13 boats that participated in the sale; eight of which were fishermen with permanent berths at the wharf and five were transient fishermen. After observing the sale this past weekend, the Port has a number of concerns regarding safety, liability and health concerns. In addition, a number of fish wholesalers have contacted the Port to express their concern about this operation. Port staff plan to meet with the fishermen this week to talk about some of the issues. Staff will keep the Commission apprised.

2) Approximately 8 or 9 months ago, staff worked with Chevron to secure the permit for subzone activity at the Foreign Trade Zone. Chevron recently sent the Port a letter stating that the Chevron's Richmond Refinery Foreign-Trade Zone subzone #3B was activated on July 1, 1998. Mr. Wong thanked Big C Traders for aggressively pursuing the business needed at the foreign trade zone.

3) For the past month, truckers from West Sacramento have delivered more than 14,000 tons of rice to the Port of San Francisco at Pier 80. The Liberty Spirit which is scheduled to arrive on July 27th will ship the rice from San Francisco to famine-stricken North Korea, as part of the World Food Program. Tomorrow at 10:30 a.m., the Port will be presenting a plaque to the Liberty Spirit and Mr. Wong invited the Commission to attend. This is only the first step in this famine-relief program and the Port expects to receive additional business in the

coming months.

4) On an emergency basis, staff is proceeding to secure a contractor to stabilize and remove damaged areas of the archway at Pier 43. Staff is awaiting authorization from our insurance carrier to begin the work. Staff is also negotiating with a historical architectural consultant to develop repair plan for the archway. Once the structure is stabilized and repair plans completed, reconstruction work will proceed using the normal bidding procedure.

Commissioner McCarthy indicated that several weeks ago, the Redevelopment Agency gave a briefing and the staff person stated that he would provide the Commission a copy of a findings report for the survey area in the southern waterfront. As of this date, the Commission has not received a copy. She requested that a copy be sent to the Commission.

4. MARITIME

A. Approval of a month-to-month lease with the National Liberty Ship Memorial, Inc. at Pier 32 for the SS Jeremiah O'Brien. (Resolution No. 98-69). THIS ITEM WAS PUT OVER TO THE NEXT MEETING.

5. REAL ESTATE

A. Approval of Imperial Parking, Inc., as parking operator, approval of sublease between the China Basin Ballpark Company, LLC and Imperial Parking, Inc., and approval of Consent, Non-Disturbance, Attornment and Estoppel Agreement for 619,317 square feet of paved land, located at Seawall Lot 337, on the south side of China Basin, for use as a parking lot for ballpark-related parking. (Resolution No. 98-71)

Mr. Larry Florin, Acting Director of Real Estate, indicated that last September the Port Commission granted approval for a lease for the China Basin Ballpark Company (CBBC) for ballpark-related parking on the south side of China Basin. The parking area encompasses over 14 acres and would require a moderate level of improvement including drainage modifications, grading, paving and striping before the Giants could use it in April 2000. Under the terms of this lease, the CBBC was required to return to the Commission for approval of the chosen sublessee.

Mr. Florin requested the Commission to approve CBBC's sublessee, Imperial Parking. Imperial Parking is a private company based in Vancouver, British Columbia with extensive experience in the operation and management of parking facilities for colleges, hospitals, office buildings and world-class sports entertainment complex. As sublessee, Imperial will pay rent for the premises, identical to the rent structure in the CBBC's Port lease. This includes payment of rent for early occupancy of the premises during which required improvements will be constructed.

Mr. Florin also requested Commission's approval of the consent, non-disturbance, attornment and estoppel agreement requested by CBBC. The agreement provides that in the unlikely event of a default by CBBC, the Port would recognize Imperial as the Tenant under the sublease, and the Port would be bound as the Landlord under the sublease to Imperial for the remainder of the original Lease term. The Port will not be required to indemnify Imperial, agree to arbitration pay for any development costs under the sublease. The agreement also represents that there are no known defaults under the lease. At a later date, CBBC and Imperial will be returning to present drainage plans and the design for this site for the Commission's approval.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-71 was adopted.

6. FACILITIES & OPERATIONS

A. Authorization to award construction Contract No. 2653, "Maintenance Dredging for Pier 35 East" to Dutra Dredging Company. (Resolution No. 98-66)

Mr. Cliff Jarrard, Chief Harbor Engineer, indicated that the Port Commission authorized the advertisement of Construction Contract No. 2653 at its meeting of June 9, 1998. Two bids were received on July 7, 1998. Dutra Dredging Company was the low bidder at $199,943. The contract includes the required maintenance dredging at Pier 35 East to accommodate the current cruise ship requirements. Dredging work includes provisions for in-bay disposal of dredge sediments at the Alcatraz dumpsite. The contract provides for mobilization requirements and 47,942 cubic yards of dredge material. Dredging will be performed in August of this year.

Mr. Jarrard requested Commission's approval to award the contract to Dutra Dredging Company in the amount of $199,943, to authorize for a 15% contingency to cover uncertainties in the quantity of dredging required and to authorize for the Executive Director to accept the work upon completion.

Mr. Jarrard informed the Commission that our consultant performs all material testing before it is allowed to be dumped in Alcatraz. One test revealed contaminated material unsuitable for disposal at Alcatraz. Therefore, staff has decided to reduce the dredging to Phase 1 on this part of the contract. This would still allow the ships to get into Pier 35. However, staff has to receive approval from the regulatory agencies for Phase 1 and continue dredging in Phase 2 and subsequent contracts. Three of the four regulatory agencies gave their approval. If for some reason the other Port regulatory agency cannot be persuaded, staff will present a plan to the Commission for disposal of the contaminated material. Staff hopes to receive the approval and be able to proceed with Phase 1 dredging.

Commissioner Brandon asked if Phase 1 and Phase 2 were included in the bid package. Mr. Jarrard responded affirmatively. Commissioner Brandon asked if the bid would remain the same. Mr. Jarrard replied that the contract would remain the same since staff cannot change the contract. The contractor, however, would probably have to dredge less material. The Port would only pay for what is dredged. Commissioner Brandon asked about the contingency. Mr. Jarrard replied that the contingency is normally at 10%. However, staff feels that in this situation, there is a greater variation and therefore staff is seeking approval for 15% contingency. It is unlikely that all the funds will be exhausted. Funds will be spent according to what the contract calls for. Staff would like to avoid coming back to the Commission seeking for additional funds.

Commissioner McCarthy asked if staff is proposing to go out for a separate bid for Phase 2 next year. Mr. Jarrard replied affirmatively. Commissioner McCarthy asked if staff will be spending more money. Mr. Jarrard replied that the bid received for both phases was based on material being cleaned for disposal at Alcatraz. If we are going to dispose material at some other site, it's going to be more expensive. Staff would rather defer it and receive competitive bids. Commissioner McCarthy reiterated that staff will go out for competitive bid again and that staff at that time would be able to ascertain how much would be disposed off upland. Mr. Jarrard replied to the affirmative and added that staff would be able to have a very comprehensive plan of where the materials will go at that time. Commissioner McCarthy asked if staff has contacted the cruise representatives to ascertain their concurrence on this matter. Mr. Jarrard replied affirmatively and added that this should not present a problem because the contractor will be dredging down to 35 feet.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-66 was adopted.

7. PLANNING & DEVELOPMENT

A. Recommendation on selection of developers to invite to submit proposals for the Design, Rehabilitation and Lease of the Ferry Building. (Resolution No. 98-70)

Mr. Paul Osmundson, Director of Planning and Development, indicated that the Port Commission approved issuance of a Request for Developer Qualifications and Proposals (RFP) in May 1998 for design, rehabilitation and lease of the Ferry Building.

The RFP was published on May 15, 1998. Public notice was widely published in the local and national newspapers. During the process, more than 400 copies of the RFP were distributed to parties including developers, building and design professionals, public agencies, non-profit organizations and individuals.

A pre-submittal meeting was held on June 3, 1998 in the Port Commission Room. Approximately 80 individuals were in attendance at the meeting, following which a tour of the building was conducted. A summary of questions and answers was provided to all parties that were provided a copy of the RFP.

Port staff received the following four proposals to the RFP: (1) TrizecHahn Development Corporation, (2) Madison Marquette Realty Services, (3) William Wilson and Associates and (4) Mentmore Development Company/Mills Corporation. Mr. Osmundson gave a brief overview of each developer's background and experience.

Mr. Osmundson indicated that based on the information provided in the initial response, Port staff believes that all four developers should be invited to submit proposals. All four developers appear to have the ability to finance the Ferry Building project. Port staff will continue to do due diligence on each respondent during the Proposal phase of the RFP.

Mr. Osmundson mentioned that a selection panel consisting of representatives from the Port, Mayor's office and Redevelopment Agency, with assistance from Keyser Marston Associates, Inc. reviewed and evaluated the four developers and development teams. The selection panel concluded that all four respondents were qualified, worthy of further consideration and should be invited to submit a proposal.

Port staff have reviewed and evaluated the responses and the selection panel's recommendation, and recommend to the Commission that the four respondents be invited to submit proposals for the Ferry Building project. The recommended deadline for receipt of these proposals is Tuesday, September 15, 1998. Mr. Osmundson pointed out that the RFP indicates that the deadline for submission of proposals is September 30. Staff decided to move up the deadline to September 15 to give staff sufficient time to review the proposals prior to the September 22 Commission meeting. Staff expects to finalize the evaluations in October and make a recommendation to the Commission thereafter.

Helen Marte-Bautista, member of the International Children's Art Museum Board, indicated that they were delighted to receive a packet regarding the Ferry Building developers and hope that they will be invited to any of the colloquium of discussions with each of the developers regarding the museum. She hopes that the Commission will consider the museum as a very important aspect of this historic building. She then invited the Commission to see the Sesame Street Characters tomorrow between 5:30 – 7:30 p.m. "Tickle Me Elmo" and "Cookie Monster" will be in hand as well as 50 works of art from different artists who contributed to the 30th anniversary of Sesame Street.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-

70 was adopted.

8. FINANCE & ADMINISTRATION

9. CONSENT CALENDAR

10. NEW BUSINESS / PUBLIC COMMENT

Ron Losch, Attorney representing the Waterfront Restaurant, gave the Commission a status report on the Waterfront Restaurant claims. He mentioned that some of the issues have already been presented to the Commission.

Mr. Losch reminded the Commission that the contractor who did the remodeling of the Waterfront Restaurant filed a lien. A dispute exists regarding pay and quality of the work. Mr. Falchi, owner of the restaurant, is trying to ensure that the quality of construction meets Port's standards. They still have not received final approval of some of the plumbing work and will work out a mechanism to get it done. The contractor filed the lien and the Falchi's subsequently posted a letter of credit in the amount of 150% of the lien, which is in excess of $1 million, as collateral and security. The lien was then expunged.

Mr. Losch indicated that there are now "new" liens filed by new entities but they are not different in amounts or issues. Mr. Losch provided Legal Counsel Tim Yoshida a copy of the partial transcript of the contractor's Chief Financial Officer who testified that the "new" liens, with very minor exceptions, were all included in the $700,000 lien filed by the contractor. The "new" liens are duplicative of the liens that were included by the contractor, which liens have been expunged. They have already taken care of the security. They have 150% of the amount of the liens that have been posted against the lease. They have done everything that is required of them under the terms of the lease, in terms of providing adequate security. Under the terms of the construction contract, the contractor has an obligation to take care of the subcontractor liens but they have refused. The contractor has a payment bond. Mr. Losch mentioned that the contractor's attorney seems to be representing the bond carrier. They have made a tender of requirement to pay off the liens with the bond carrier but the contractor's attorneys have made a determination at this point that they are not going to use the bond to satisfy the new liens. The only argument they did not make was these liens were duplicative of the liens, which have already been taken cared of.

Mr. Losch indicated that they have been in contact with the subcontractors who have filed the new liens. It is their intention, that either through the payment from the bond or through payment from the letter of credit as collateral for the liens, to pay the subcontractors on the disputed amounts. They intend to leave the security in place for any amounts that might still be disputed. Mr. Losch reiterated that given that the bond and the letter of credit have been posted, there's adequate collateral beyond what the actual lien amounts are to satisfy any minor accounting variations. Mr. Losch stated that they are a bit reluctant to pay some of the subcontractors because the plumbing work has

not met Port requirements. They also have some disputes over the electrical and HVAC work.

Mr. Losch indicated that they believe they have done everything that the Port has required. Section 12 of the lease provides that in the Port's determination if the liens have been released or provided to the reasonable satisfaction of the Port, there's no need to take any action or provide any notice. They believe that they have provided adequate security against the old liens and the new liens, which are part of the old liens.

The specific language of the lease reflects that the Falchi's or the Waterfront Restaurant shall keep the premises and improvements thereon free and clear of liens. Each of the liens is against the leasehold interest i.e. the lease. The contractor made a claim against the property that belongs to the restaurant because they can't make a claim against Port's property. Technically, you cannot argue or take any action because the triggering mechanism under Section 12 of the lease has not been reached. Mr. Losch indicated that they have asked for the court's interpretation of this language. They have not moved forward on the suit because they feel it would be in the Port's and their interest to sort out the issue of the liens rather than get a determination since the language is quite clear. He asked the Commission to look at the specific language and determine whether or not the language triggers or requires any action by the Port. The Commission has the discretion not to provide any further notices. Mr. Losch believed that they have done everything necessary to protect the Port's interest and they continue to do that. By not taking action, the Port will be saving efforts that could be well spent elsewhere.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 4:42 p.m., the Commission Secretary announced that the Commission will withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) of the California Government Code Section 54956.9 (two cases).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792

- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

An executive session has been calendared to instruct the real estate negotiator regarding responses received to the Request for Proposal.

11. RECONVENE IN OPEN SESSION

At 6:00 p.m., Commissioners McCarthy, Brandon & Hardeman returned from executive session and convened in public session.

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a) 2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in the executive session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:02 p.m.

Mauricio Commission Secretary

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, AUGUST 11, 1998
FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

DOCUMENTS DEPT.
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AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - July 28, 1998 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **MARITIME**

   A. Approval of a month-to-month lease with the National Liberty Ship Memorial, Inc. at Pier 32 for the SS Jeremiah O'Brien. (Resolution No. 98-69)

5. **REAL ESTATE**

   A. Approval of Memorandum of Understanding with the San Francisco Public Transportation Commission ("MUNI") at Seawall Lot 354, Indiana Street, Marin Street, Tennessee Street and Islais Creek. (Resolution No. 98-74)

   B. Authorization to terminate Lease No. L-10421 with Santa Rosa Partners Limited and to enter into a new replacement lease with Ferryboat Santa Rosa Partners Limited for premises located at Pier 3 for the berthing of the Ferryboat Santa Rosa. (Resolution No. 98-75)

6. **FACILITIES & OPERATIONS**

   A. Ratification of a declaration of an emergency for the Pier 43 Arch for contracted assistance to perform a damage evaluation, develop restoration plans, perform emergency shoring and partial demolition. (Resolution No. 98-73)

   B. Authorization to execute Contract Modification No. 3 for Construction Contract No. 2611, "Ferry Plaza and Piers 27 & 29, Earthquake Repair Project, Pile and Deck Repair," with San Luis Gonzaga/Bay Pacific/Ranger Pipelines, Joint Venture. (Resolution No. 98-77)

C. Informational presentation and hearing on proposed amendment to Police Code Prohibiting the Operation of Personal Watercraft in a 1,200 square foot Special Use Area along the San Francisco shoreline.

7. PLANNING & DEVELOPMENT

A. Informational briefing on status of Port Planning and Development Division Projects.

B. Informational report on the establishment of an Advisory Group for a Hotel Development at Broadway and The Embarcadero.

8. FINANCE & ADMINISTRATION

A. Approval of $705,000 in amendments to the Port's 1998/99 Capital Plan and Operating Budget. (Resolution No. 98-72)

9. CONSENT CALENDAR

A. Approval of five year lease with the California Foundation for the Environment and the Economy at Pier 35 (The Embarcadero at Bay Street). (Resolution No. 98-76)

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT – This is specifically authorized under California Government Code Section 54957.

a. Confirmation of Appointment of Director of Real Estate

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) of the California Government Code Section 54956.9 (three cases).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792
- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.
- Commercial and Interiors Construction, Inc. and CICO-R&W, a Joint Venture v. Port of San Francisco, San Francisco Superior Court No. 989-294

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

An executive session has been calendared to instruct the real estate negotiator regarding responses received to the Request for Proposal.

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

August 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of a month-to-month lease with the National Liberty Ship Memorial, Inc. at Pier 32 for the SS Jeremiah O'Brien

DIRECTOR'S RECOMMENDATION: APPROVE MONTH-TO-MONTH LEASE

Background:

The National Liberty Ship Memorial, Inc. (NLSM) operates the SS Jeremiah O'Brien as a not-for-profit corporation, and has berthed the vessel at Pier 32 since September 1994 under a berthing application. This berthing agreement has allowed the vessel to remain at the pier and pay a rate of 6% of their ticket sales in lieu of dockage.

Port staff has concluded negotiations with the National Liberty Ship Memorial, Inc. for a month-to-month agreement to include the berth for the SS Jeremiah O'Brien, open pier space for public access, ship support and parking. This agreement is comparable to the Pampanito's agreement at Pier 45.

Proposed Lease Terms:

1. **Premises**: 8,820 square feet of open pier space and 25,650 sq. ft. of water space for berthing of the SS Jeremiah O'Brien, as shown on the site plan.

2. **Term**: Month-to-month

3. **Use**: Non-exclusive use of the open pier space as access, vessel support and parking for the SS Jeremiah O'Brien and exclusive use of the berth depicted on the site plan for the berthing of the SS Jeremiah O'Brien.

The National Liberty Ship Memorial may place a ticket booth within the open pier space for the sale of tickets to board and tour the SS Jeremiah O'Brien.

Vehicle parking will be allowed within the open pier space for the ship's crew and visitors only. Parking rental other than the ship's crew or visitors is strictly prohibited.

4. **Base Rent**: $1,000.00 per month

5. **Percentage Rent**: Percentage rent shall be offset by base rent and shall be calculated and paid monthly by applying the percentage rates indicated below to the gross receipts of the indicated types of sales:

Ticket Sales	-	6%
Gift Shop	-	6%
Events	-	6%
Parking	-	6%
All other Sales	-	6%
Charters & Rentals	-	6%

The National Liberty Ship Memorial shall pay percentage rent for any period in which the SS Jeremiah O'Brien has shifted to another Port of San Francisco facility.

Fees and/or donations paid by third parties to film or photograph the SS Jeremiah O'Brien's interior of the vessel while it is at the Premises or to film or photograph the vessel while it is away from the Premises and charitable donations of funds but not including funds paid by persons for viewing or touring the SS Jeremiah O'Brien, shall be excluded from percentage rent.

6. **Maintenance**: Both the Tenant and Port acknowledge that the fender system is deteriorated and neither the Port nor the Tenant shall have any responsibility to maintain or repair the fender system or substructure. Tenant shall have the right to install its own fender system at Tenant's sole cost.

Prepared by: Denise Turner, Wharfinger

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-69

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Section B3.581(g), leases and franchises granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, National Liberty Ship Memorial, Inc. desires to enter into a month-to-month lease agreement with the Port for the use of Pier 32; and

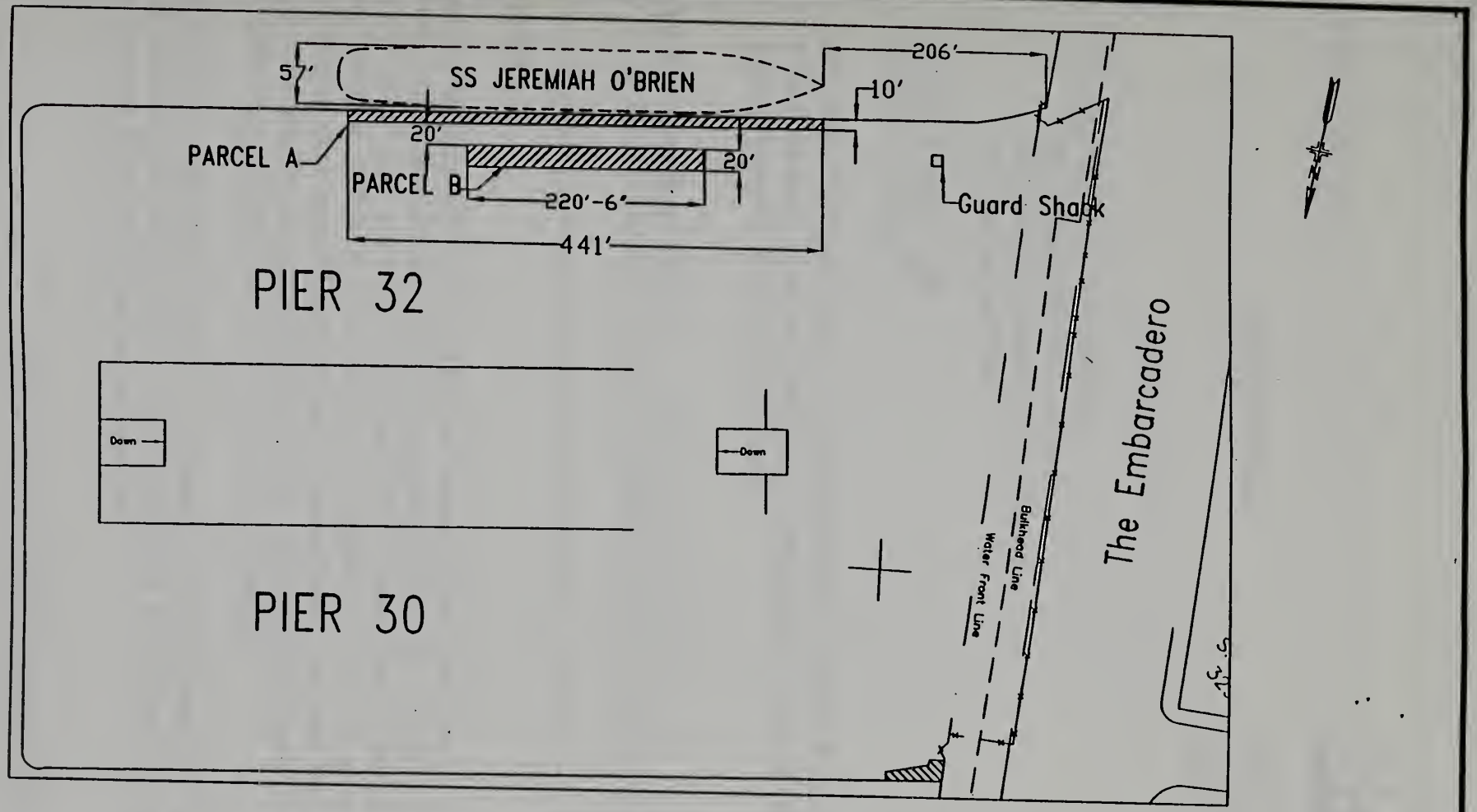
WHEREAS, said use offers a permanent location providing stability for the National Liberty Ship Memorial, Inc. and a fixed revenue stream to the Port; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the Executive Director to enter into a month-to-month lease with National Liberty Ship Memorial, Inc. on terms set forth in the memorandum for this item, a copy of which is on file with the Commission Secretary, and to execute documents effecting said lease on behalf of the Port, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 11, 1998.

_____
Secretary

EXHIBIT A



INITIALS: PORT_____ TENANT_____

LEASE NO.	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO	TENANT:	DRAWN BY: G. DUDLEY; DATE: MAY 30, 1998 CHECKED BY:; SCALE: PLACE CODE NO. 1320-0-0000; SHEET NO. OF SHEETS

C:\GDUDLEY\LEASE\EXHIBITS_PIERS\P32JOB

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

August 4, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Memorandum of Understanding with the San Francisco Public Transportation Commission ("MUNI") at Seawall Lot 354, Indiana Street, Marin Street, Tennessee Street and Islais Creek.

DIRECTOR'S RECOMMENDATION: APPROVE MEMORANDUM OF UNDERSTANDING WITH SAN FRANCISCO PUBLIC TRANSPORTATION COMMISSION

BACKGROUND

The San Francisco Municipal Railway through the San Francisco Public Transportation Commission ("MUNI") desires to enter into a Memorandum of Understanding (MOU No. M-12581) with the Port whereby the Port would lease to MUNI approximately 25,145 square feet of shed space, 1,319 square feet of office space, 18,700 square feet of unpaved yard space and 75,787 square feet of paved yard space comprising all of Seawall Lot 354 bound by Indiana Street to the west, Marin Street to the north, Tennessee Street to the east and the Bay Conservation and Development Commission jurisdictional line along the northern border of Islais Creek to the south.

MUNI has undertaken to renovate one or more of its vehicle storage and maintenance facilities and accompanying administrative offices at other MUNI locations in the City and is in need of a temporary replacement facility during the renovation period.

THIS PRINT COVERS CALENDAR ITEM NO. 5A

MUNI and Port staff have negotiated the terms of a Memorandum of Understanding (MOU No. M-12581) with MUNI on the following terms and conditions:

PROPOSED TERMS AND CONDITIONS

1. **Tenant**: The San Francisco Public Transportation Commission (MUNI).

2. **Premises**: Seawall Lot 354 consisting of:

   Maintenance and Repair Building

   25,145 sq. ft. of open shed space
   1,319 sq. ft. of office space

   Yard

   75,787 sq. ft. of paved yard
   18,700 sq. ft. of office space

3. **Term**: One year.

4. **Use**: Storage, fueling, maintenance and repair and administrative offices and incidental directly related uses.

5. **Use Fee**: $29,520.00 per calendar month.

6. **Rent Credits**: None.

7. **Commencement Date**: December 1, 1998.

8. **Right to Early Entry**: September 1, 1998.

Commission approval is required to permit a Right of Early Entry longer than one month. MUNI must make significant modifications to the Maintenance and Repair Building in order to accommodate the proposed use and will pave the 18,700 square feet of unpaved yard space (former Minnesota Street) during the early entry period.

Port staff recommends approval of MOU NO. M-12581.

Prepared by: Nicolas J. Dempsey, Commercial Property Manager

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-74

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section 3.581 (g) leases granted or made by the Port Commission shall be administered exclusively by the operation forces or the Port Commission; and

WHEREAS, the San Francisco Public Transportation Commission ("MUNI") desires to utilize Port property at Seawall Lot 354 as a temporary vehicle maintenance, storage, fueling, repair and administrative office facility during the renovation of one or more of MUNI's existing vehicle maintenance facilities; and

WHEREAS, MUNI and the Port have negotiated the terms of a Memorandum of Understanding (MOU No. M-12581); now, therefore, be it

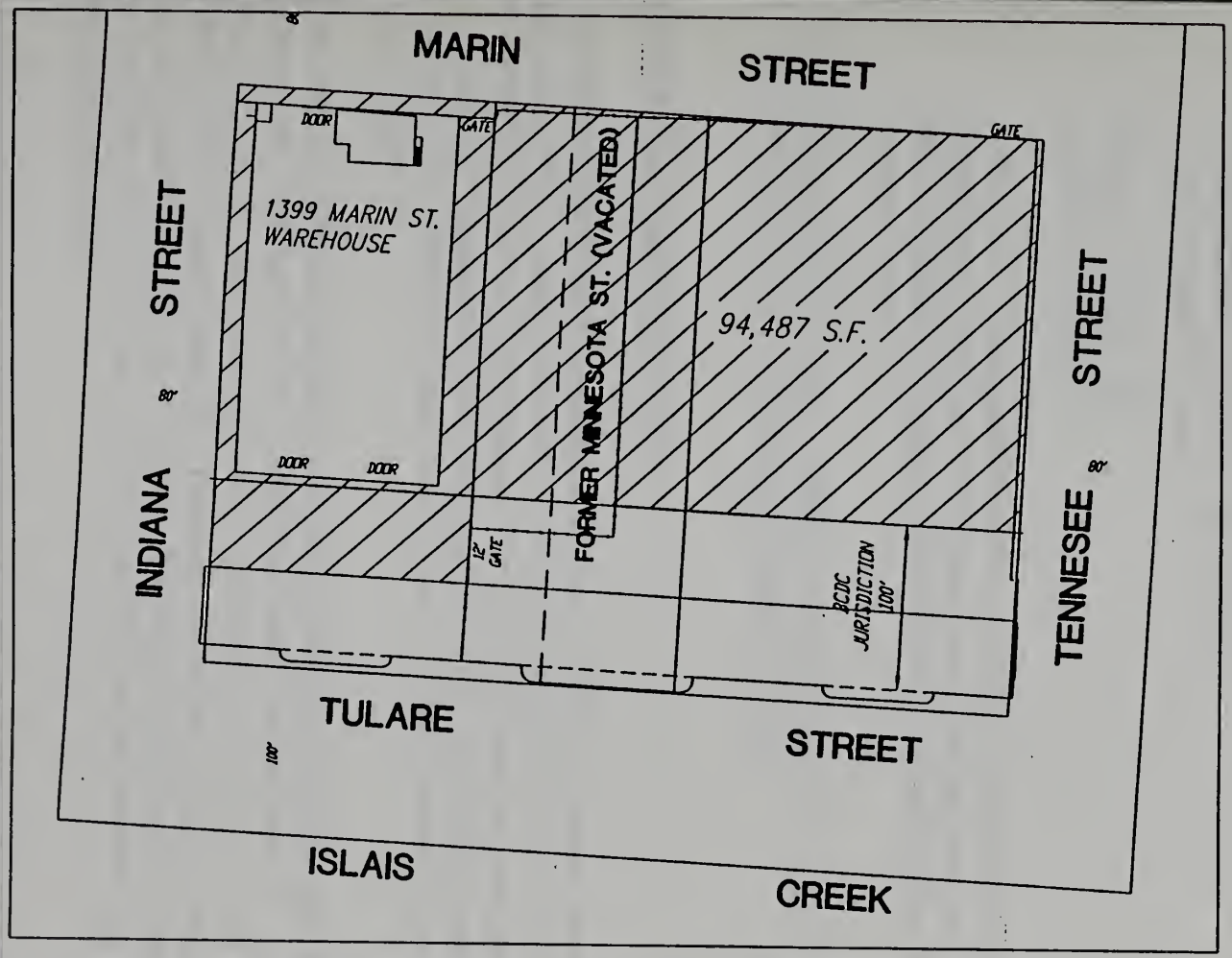
RESOLVED, that the Port Commission hereby approves MOU No. M-12581 with the San Francisco Public Transportation Commission for Seawall Lot 354 incorporating the business terms set forth on the Memorandum for Agenda Item 5A for the Port Commission meeting on August 11, 1998, and authorizes the Executive Director or his designee to execute the Memorandum of Understanding with San Francisco Public Transportation Commission.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 11, 1998.

_____
Secretary

\\PACIFICA\USERS\TENANT\WP51\AGENDAS\MUNI, SEAWALL LOT 354.DOC\8/4/98

EXHIBIT A



YARD AREA LESS WAREHOUSE = 94,487 S.F.

INITIALS: PORT _____ TENANT _____

LEASE NO. MOU No. M-12581	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO	TENANT: DEPT. OF PUBLIC WORKS (MUNI)	DRAWN BY: G. DUDLEY; DATE: JULY 30, 1998; CHECKED BY:; SCALE:; PLACE CODE NO. 3540-0-0000; SHEET NO. 1 OF 2 SHEETS

G:\GDUDLEY\LEASE\EXHIBIT-SWL\SWL354M1

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
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wwwsfport.com

MEMORANDUM

August 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to terminate Lease No. L-10421 with Santa Rosa Partners Limited and to enter into a new replacement lease with Ferryboat Santa Rosa Partners Limited for premises located at Pier 3 for the berthing of the Ferryboat Santa Rosa.

DIRECTOR'S RECOMMENDATION: APPROVE TERMINATION OF LEASE NO. L-10421 AND ENTER INTO A NEW REPLACEMENT LEASE

Ferryboat Santa Rosa Partners, Ltd. Lease

Since 1979 the Ferryboat Santa Rosa has been berthed at Pier 3 as a historic vessel under Port Lease No. L-10421, dated December 3, 1979 (the "Existing Lease"), with John Pflueger, Mike McCormac and Dick Bechelli. The Existing Lease was subsequently assigned to Lewis F. Coppage and Santa Rosa Partners, Ltd. The Existing Lease runs through the year 2012. Ferryboat Santa Rosa Partners, Ltd. is the current tenant and owner of the vessel.

In 1988 the Port Commission consented to the assignment of the Existing Lease from Santa Rosa Partners, Ltd. and its successors to Ferryboat Santa Rosa Partners Ltd. At that time Santa Rosa Partners, Ltd. was bankrupt and was in default to its lender, the City and County Bank of Knox County, Knoxville, Tennessee. The Bank of Knox County similarly went into default and was taken over by FDIC. The current tenant Ferryboat Santa Rosa Partners, Ltd. took over the Existing Lease from the FDIC in 1988 and has been a successful tenant ever since.

THIS PRINT COVERS CALENDAR ITEM NO. 5B

Recently Ferryboat Santa Rosa Partners, Ltd., with the Port's permission, attempted to refinance its interest in the Ferryboat Santa Rosa. However, this process has been stymied on a technicality. The title report on the leasehold gives no indication that the original tenant, Santa Rosa Partners, Ltd., which was in default at the time and already non-existent, ever signed a formal assignment of its tenancy to Ferryboat Santa Rosa Partners, Ltd. As a result, insurable clear title interest in the leasehold could not be issued and this is a pre-requisite to refinancing the Ferryboat itself.

To correct this problem and give Ferryboat Santa Rosa Partners, Ltd. an insurable leasehold title to its berth at Pier 3, Ferryboat Santa Rosa Partners, Ltd. has asked the Port to terminate the Existing Lease for default, and enter into a new replacement lease with Ferryboat Santa Rosa Partners, Ltd. as the tenant on all of the identical terms and conditions of the Existing Lease. Ferryboat Santa Rosa, Ltd. will then be able to complete its refinancing package. The Port has already recognized Ferryboat Santa Rosa, Ltd. as the tenant under the Lease, most recently through a substantial Second Amendment to Lease, dated as of November 1, 1997, approved by the Port Commission, which updated the form of Lease to reflect many of the Port's standard lease provisions. Ferryboat Santa Rosa, Ltd. has agreed to reimburse the Port for its staff and attorney time on this matter.

Prepared by: Larry Florin, Acting Director, Real Estate

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-75

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, Under Charter Section B3.581(g), leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Since 1979 the Ferryboat Santa Rosa has been berthed at Pier 3 as a historic vessel under Port Lease No. L-10421, dated December 3, 1979 (the "Existing Lease") with John Pflueger, Mike McCormac and Dick Bechelli, which was subsequently assigned to Lewis F. Coppage and Santa Rosa Partners, Ltd.; and

WHEREAS, In 1988, the tenant went into bankruptcy, the Existing Lease was taken over by FDIC, and the Port Commission consented to the assignment of the Existing Lease to Ferryboat Santa Rosa Partners Ltd.; and

WHEREAS, Ferryboat Santa Rosa Partners, Ltd. has been unsuccessful in refinancing the Ferryboat Santa Rosa because the title report on the leasehold gives no indication that the original tenant, Santa Rosa Partners, Ltd., ever signed a formal assignment of its tenancy to Ferryboat Santa Rosa Partners, Ltd.; and

WHEREAS, To give Ferryboat Santa Rosa Partners, Ltd. an insurable leasehold title to its berth at Pier 3, Ferryboat Santa Rosa Partners, Ltd. has asked the Port to terminate the Existing Lease for default, and enter into a new replacement lease with Ferryboat Santa Rosa Partners, Ltd. as the tenant on all of the identical terms and conditions of the Existing Lease; now, therefore, be it

RESOLVED, That the Port Commission hereby directs the Executive Director, or his designee, to take such action as is necessary to terminate the Existing Lease with the Former Tenants, and to execute a new replacement lease with Ferryboat Santa Rosa Partners, Ltd., upon all of the same terms and conditions of the Existing Lease, as amended, in such form as is approved by the City Attorney, and to take all such further action as is required to implement the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 11, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
wwwsfport.com

MEMORANDUM

August 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Pier 43 Arch, ratification of a Declaration of an Emergency for contracted assistance to perform a damage evaluation, develop restoration plans, perform emergency shoring and partial demolition

DIRECTOR'S RECOMMENDATION: RATIFY THE DECLARATION OF AN EMERGENCY TO ALLOW CONTRACTORS TO ASSIST THE PORT STAFF WITH THE DEMOLITION AND SHORING OF THE FIRE DAMAGED PIER 43 ARCH

On July 14, 1998, a fire damaged the historic ferry slip arch structure at Pier 43. The fire seriously damaged the walls and roof of both towers and arch structure spanning the towers. Inside the facility, the fire charred the heavy wooden timber structure that supports the hoist pulley system. The extent of the wood structure damage requires further investigation. The one-story auxiliary building adjacent and connected to the west tower was also seriously damaged.

This arch is a historically significant landmark. Although the Port intends to restore the arch, the remaining existing structure must be partially demolished and shored up for safety reasons. Because of the structure's historical status, an expert must perform a detailed evaluation to determine the extent of the damage. This evaluation will determine how much of the structure can be saved from demolition. The evaluation must be performed by an outside consultant having expertise in preservation of historical landmarks, analysis of timber structures, and architectural experience with historical buildings. To provide this evaluation, the Port has solicited a historical architectural consultant to develop the demolition/shoring plan and a demolition contractor to

THIS PRINT COVERS CALENDAR ITEM NO. 6A

selectively demolish and shore the structure, and perform other work recommended by the consultant. Cost estimates will be provided for both the consultant work and demolition/shoring work once the scope of work is known.

To protect the public from the potential hazard of falling debris from the building, under the provisions of the San Francisco Administrative Code, Commission Vice President Kimberly Brandon issued a Declaration of Emergency to the City Controller on July 21, 1998. A copy of this letter is attached. This allowed staff to begin the emergency shoring, partial demolition, and expert investigation as soon as possible. Staff recommends that the Port Commission ratify this emergency declaration. Because of the structure's historical status and significance to the area, the consultant will develop plans to restore the structure to its pre-fire condition under this emergency declaration. A separate competitively bid contract will be let to restore the facility. However, this will be outside of the scope of this emergency declaration.

It is anticipated that insurance proceeds (less deductibles) will fund the cost of hiring the consultant and demolition contractor.

Staff recommends that the Commission ratify the emergency declaration for the Pier 43 arch work as specified and that the Executive Director be authorized to accept the work once it is complete.

Prepared by: Cliff Jarrard
Chief Harbor Engineer

PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-73

WHEREAS, on July 14, 1998, a fire damaged the historic ferry slip arch structure at Pier 43; and

WHEREAS, the arch is a historically significantly landmark; and

WHEREAS, although the Port intends to restore the arch, the remaining existing structure must be partially demolished and shored up for safety reasons; and

WHEREAS, the Port needs an outside consultant having expertise in preservation of historical landmarks, analysis of timber structures, and architectural experience with historical buildings to perform a detailed evaluation to determine the extent of damage; and

WHEREAS, the Port needs an outside demolition contractor to selectively demolish and shore the structure, at the consultant's direction; and

WHEREAS, the condition is a threat to public safety and the arch must be shored to keep it from collapsing, an emergency condition exists; now therefore be it

RESOLVED, that the Port Commission ratifies the declaration of emergency at the Pier 43 arch to allow staff to direct outside contractors to begin the emergency shoring, partial demolition, and expert investigation as soon as possible; be it further

RESOLVED, that this emergency will further authorize the consultant to develop plans to restore the structure to its pre-fire condition, but a separate competitively bid contract will be let outside the scope of this emergency to perform the restoration construction; and be it further

RESOLVED, that the Executive Director is authorized to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 11, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

DOUGLAS F. WONG
Executive Director

July 21, 1998

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0401
Telex 275940 PSF UR
Fax 415 274 0412

Mr. Ed Harrington, City Controller
875 Stevenson Street
San Francisco, CA 94103

SUBJECT: Declaration of Emergency, Pier 43 Fire

Dear Mr. Harrington:

On July 14, 1998, a fire damaged the historic ferry slip arch structure at Pier 43. The fire seriously damaged the walls and roof of both towers and arch structure spanning the towers. Inside the facility, the fire charred the heavy wooden timber structure that supports the hoist pulley system. The extent of the wood structure damage requires further investigation. The one-story auxiliary building adjacent and connected to the west tower was also seriously damaged.

This arch is a historically significant landmark. Although the Port intends to restore the arch, the remaining existing structure must be partially demolished and shored up for safety reasons. Because of the structure's historical status, an expert must perform a detailed evaluation to determine the extent of the damage. This evaluation will determine how much of the structure can be saved from demolition. The evaluation must be performed by an outside consultant having expertise in preservation of historical landmarks, analysis of timber structures, and architectural experience with historical buildings. To provide this evaluation, the Port has solicited a historical architectural consultant to develop the demolition/shoring plan and a demolition contractor to selectively demolish and shore the structure, and perform other work recommended by the consultant. Cost estimates will be provided for both the consultant work and demolition/shoring work once the scope of work is known.

To protect the public from the potential hazard of falling debris from the building, the Port Commission declared an emergency to begin the emergency shoring, partial demolition, and expert investigation as soon as possible. Because of the structure's historical status and significance to the area, the consultant will develop plans to restore the structure to its pre-fire condition under this emergency declaration. A separate competitively bid contract will be let to restore the facility. However, this will be outside of the scope of this emergency declaration.

It is anticipated that insurance proceeds (less deductibles) will fund the cost of hiring the consultant and demolition contractor.

Sincerely,

Kimberly Brandon
Vice President, Port Commission

Recommended by:

Douglas F. Wong, Executive Director

i:\Cliff\Commission\Emergency Declaration

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
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MEMORANDUM

August 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to execute Contract Modification No. 3 for Construction Contract No. 2611, "Ferry Plaza and Piers 27 & 29, Earthquake Repair Project, Pile and Deck Repair"

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO EXECUTE CONTRACT MODIFICATION NO. 3 FOR CONTRACT 2611, IN THE ADDITIONAL SUM OF $654,917, TO SAN LUIS GONZAGA/RANGER PIPELINES/BAY PACIFIC PIPELINES, A JOINT VENTURE

The 1989 Loma Prieta earthquake caused structural damage to the Ferry Plaza and Piers 27 & 29. To remedy the seismic damage, the Port sought bids for Contract No. 2611, "Ferry Plaza and Piers 27 & 29, Earthquake Repair Project, Pile and Deck Repair." The scope of work included seismic repairs and mitigation work on the battered (non-vertical) piles on these facilities (Ferry Plaza and Piers 27 & 29). The repairs at the Ferry Plaza were most critical due to its location directly over the BART trans-bay tube. Seven bids were submitted to the Port, ranging in price from $4,659,000 to $13,304,000. On September 26, 1995, the Port Commission awarded Contract No. 2611 to the lowest bidder, San Luis Gonzaga/Ranger Pipelines/Bay Pacific Pipelines, a Joint Venture ("Gonzaga") for $4,659,000, with a $470,000 contingency for possible contract modifications. FEMA and OES agreed to fund the initial contract amount. As work proceeded, it was necessary to modify the contract due to differing site conditions and the need for additional materials beyond original estimates, as described below.

Two previous contract modifications, summarized below, were within the initial contract contingency amount.

THIS PRINT COVERS CALENDAR ITEM NO. **6B**

CONTRACT MODIFICATION NO. 1 $13,501

The first contract modification resulted from unforeseen conditions discovered during the repair of three broken vertical piles at Pier 27 & 29. The additional work included placement of rebar, pile jackets, and underwater excavation to uncover the base of the piles.

CONTRACT MODIFICATION NO. 2 $428,939

During the actual work, the actual quantities of grouting for deck repairs at the Ferry Plaza and Pier 27 substantially exceeded that estimated in the Port contract documents. Port staff verified the need for the additional grouting and the contractor's actual performance of the work.

These two contract modifications totaled $442,440, which was within the contingency fund of $470,000 previously authorized by the Commission.

CONTRACT MODICATION NO. 3 $654,917

This modification is the subject of the Commission agenda. Contract Modification No. 3 is required to authorize payment for additional work caused by unforeseen site conditions as described below. Upon the discovery of the differing site conditions, the contractor and the Port agreed that the contractor would perform the work and, after all work was completed and documented, the parties would negotiate a contract modification at the end of the job. Following project completion, the contractor and Port staff participated in extensive negotiations to determine a fair price for this additional work.

The additional work under contract Modification No. 3 was extensive, and affected nearly every pile frame installed under the Ferry Plaza and the Piers 27 & 29 decks. There were approximately 250 frames installed. The work is divided as follows:

a. Coring through the concrete deck reinforcing steel: The construction drawings instructed the contractor to avoid cutting the reinforcing steel in the concrete deck. However, due to the random pattern of the rebar in the deck, it was virtually impossible for the contractor to determine the location of the steel. As a result, the contractor was required to cut thousands of steel bars to install the pile repair frames, which was not included in the original scope of work. The contractor demonstrated that it did not include the cost of this additional cutting in its bid.

$90,122

b. Custom fabricating the structural steel to accommodate the existing pile geometry: Existing drawings for the deck indicated that the piles had been installed uniformly with consistent orientation. But the exact geometry of the existing piles was unknown until the commencement of work. Each pile was located at a different polar angle than every other pile, which required custom fabrication of each of the 250 pile repair frames. The contractor demonstrated that it did not include the custom fabricating in its bid.

$534,878

c. To prolong the maintenance-free life of the pile frames, nuts, and bolts, the Port recommended that a contract change to coat these items with a bitumastic coating.

$29,917

Total Modification No. 3 **$654,917**

FEMA and OES prepared Damage Survey Reports ("DSRs") for all of the original contract work. Port staff has requested that FEMA prepare supplemental DSRs for the three contract modifications. However, the current FEMA policy for projects at this stage of completion is for a project "close out" process after which one supplemental DSR will address the additional project cost. Port staff expects FEMA's agreement to fund these additional costs, but the extent of additional funding will not be known for several months. Funds from the supplemental appropriation for earthquake repairs will be needed for any work not covered by DSRs.

Port staff requests authorization to execute contract Modification No. 3, resulting from differing site conditions. The funding for this modification will be sought from OES and FEMA as part of FEMA's project close out process.

Prepared by: Cliff Jarrard
Chief Harbor Engineer

PORT OF SAN FRANCISCO
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-77

WHEREAS, Contract 2611 was awarded for $4,659,000 with a $470,000 contingency to perform seismic repairs and mitigation work on the earthquake damaged Ferry Plaza and Piers 27 & 29; and

WHEREAS, due to differing site conditions, it was necessary to modify the contract; and

WHEREAS, Contract Modification No. 1 for $13,501 and Contract Modification No. 2 for $428,939 were executed within the Commission authorized $470,000 contingency; and

WHEREAS, Port staff negotiated Contract Modification No. 3 for $654,917 which requires Commission approval; and

WHEREAS, Contract Modification No. 3 covers the additional cost of deck coring, custom frame fabricating and bitumastic coating; and

WHEREAS, the original contract amount was fully funded by FEMA and OES and Port staff has requested supplemental Damage Survey Reports (DSRs) to cover the additional costs of the contract modifications; and

WHEREAS, the current process with FEMA is that it does not prepare supplemental DSRs until the respective project undergoes a close out process; and

WHEREAS, this process will take several months so the Port will not know if all of the contract modifications will be fully funded, now therefore be it

RESOLVED, that the Port Commission approves Contract Modification No. 3 of Contract 2611, "Ferry Plaza and Piers 27 & 29, Earthquake Repair Project, Pile and Deck Repair," for $654,917 with San Luis Gonzaga/Ranger Pipelines/Bay Pacific Pipe Lines, a Joint Venture for a total contract amount of $5,756,357.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 11, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
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Fax 415 274 0528
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MEMORANDUM

August 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational presentation and hearing on proposed amendment to Police Code Prohibiting the Operation of Personal Watercraft in a 1,200 square foot Special Use Area along the San Francisco Shoreline

At its upcoming August 13, 1998 meeting, Supervisor Gavin Newsom will ask the Board of Supervisors to adopt new legislation to restrict the operation of personal watercraft along San Francisco's shoreline. The text of the proposed legislation and a legislative digest is attached.

The City currently does not have any laws regulating the use of personal watercraft. The proposed legislation would add a new Article 47 to the San Francisco Police Code. Article 47 would create a 1,200-foot "special use area" along the San Francisco shoreline. Because the county line runs through the middle of San Francisco Bay, the special use area would include parts of Angel Island, Alcatraz Island and the Marin Headlands. The operation of personal watercraft within this special use area would be prohibited. There would be an access corridor for personal watercraft operators from the Port's Pier 52 boat launch ramp through the special use area into the Bay, where operation of personal watercraft would still be allowed.

Violation of this article would be an infraction punishable by fines up to $250 for multiple offenses. The City or private parties may enjoin violations. Private parties may also bring a civil action under the Article.

There is some concern about the potential for the proposed legislation to disqualify the Port from receiving certain federal funds that are available for the construction of boat launch ramps. Port or City staff or the City Attorney's Office will endeavor to provide you with information on this issue prior to the Port Commission hearing on August 11th.

Prepared by: Roberta L. Jones
Manager, Environmental and Regulatory Affairs

THIS PRINT COVERS CALENDAR ITEM NO. 6C

LEGISLATIVE DIGEST
(Amendment of the Whole)

[Personal Watercraft]

AMENDING PART II, CHAPTER VIII, OF THE SAN FRANCISCO MUNICIPAL CODE (POLICE CODE) BY ADDING ARTICLE 47, PROHIBITING THE OPERATION OF PERSONAL WATERCRAFT IN A 1,200-FOOT SPECIAL USE AREA ALONG THE SAN FRANCISCO SHORELINE, AND PROVIDING FOR PUBLIC AND PRIVATE ENFORCEMENT.

The City currently does not have any laws regulating the use and operation of personal watercraft, commonly referred to as "jet skis."

The proposed legislation would add a new Article 47 to the San Francisco Police Code. Article 47 would create a 1,200-foot "special use area" along the San Francisco shoreline. (Because the county line runs through the middle of the San Francisco Bay, the San Francisco shoreline would include parts of Angel Island, Alcatraz Island, and the Marin Headlands.) The use or operation of personal watercraft within this special use area would be prohibited. There would be an access corridor for personal watercraft operators from Pier 52 through the special use area and out into the Bay, where operation of personal watercraft would still be allowed.

Violation of the Article would be an infraction, punishable by fines up to $250 for multiple offenses. Violations may be enjoined by the City or private parties. Private parties may also bring a civil action under the Article.

Certain federal funds available for the construction of recreational boat launches may require as a condition of receiving the funds that the launch be accessible to personal watercraft operators. The Article requires that any City department applying for such funds first notify the City Attorney and the Commission on the Environment.

* * *

The amendment of the whole deletes additional restrictions included in the prior draft on the operation of personal watercraft outside of the special use area, which restrictions would duplicate state law.

The amendment of the whole also adds the State law definition of "personal watercraft" to the proposed local definition.

FILE NO. _____ ORDINANCE NO. _____

[Personal Watercraft]

AMENDING PART II, CHAPTER VIII, OF THE SAN FRANCISCO MUNICIPAL CODE (POLICE CODE) BY ADDING ARTICLE 47, PROHIBITING THE OPERATION OF PERSONAL WATERCRAFT IN A 1,200-FOOT SPECIAL USE AREA ALONG THE SAN FRANCISCO SHORELINE, AND PROVIDING FOR PUBLIC AND PRIVATE ENFORCEMENT.

Note: This entire section is new.

Section 1. The San Francisco Police Code is hereby amended by adding Article 47, Sections 47.1 through 47.7, to read as follows:

ARTICLE 47

Section 47.1.	Purpose.
Section 47.2.	Definitions.
Section 47.3.	Prohibited Use of Personal Watercraft in Special Use Area.
Section 47.4.	Federal Funds.
Section 47.5.	Violations; Enforcement; Penalties.
Section 47.6.	Citizen Enforcement Actions.
Section 47.7.	Severability.

SEC. 47.1. PURPOSE.

The purpose of this ordinance is to reduce existing conflicts and limit potential conflicts between uses of the coastal waters of San Francisco, eliminate adverse impacts to the diverse and unusual species found in the San Francisco Bay, promote overall public safety, and decrease hydrocarbon pollution that is disproportionately caused by personal watercraft.

Conflicts between uses have the potential to increase in the future because of increasing development of shoreline areas. Examples of conflicts that currently occur are those between personal watercraft and individuals engaged in water sports such as kayaking, windsurfing, swimming, and canoeing, due to the nature and design of personal watercraft: high maneuverability, high speed, ability to travel in shallow areas, and noise patterns that are unique and annoying.

Conflicts also occur between shoreline uses in areas zoned for commercial and open space activities and personal watercraft because of the nature and design of these vessels.

SEC. 47.2. DEFINITIONS.

(a) "Landmarks" shall include, but not be limited to, the farthest extension of piers, beaches, seawalls, jetties, breakwaters and docks.

(b) "Personal watercraft" means a highly maneuverable vessel which uses a waterjet pump to propel one or more persons and is capable of operating at planing speeds. "Personal watercraft" includes, but is not limited to, vessels referred to as Jetskis®, Sea Doos®, and Waverunners®. "Personal watercraft" shall include any vessel less that 12 feet, propelled by machinery, that is designed to be operated by a person sitting, standing or kneeling on the vessel, rather than the conventional manner of sittingor standing inside the vessel.

(c) "Operator" means the person on board who is steering the vessel while underway.

(d) "Special-use area" means all or a portion of a waterway that is set aside for specified uses or activities to the exclusion of other incompatible uses or activities.

(e) "Vessel" includes every description of watercraft used or capable of being used as a means of transportation on water, except either a seaplane on the water or a watercraft specifically designed to operate on a permanently fixed course.

SEC. 47.3. PROHIBITED USE OF PERSONAL WATERCRAFT IN SPECIAL USE AREA.

(a) Use and operation of personal watercraft in the area designated in subsection (b) as a special use area is incompatible with competing uses and is therefore prohibited.

(b) For purposes of this Article, the special use area shall consist of the area within 1,200 feet of the shoreline or the farthest extension of the shoreline of San Francisco, as defined by its landmarks. The San Francisco shoreline shall include, but not be limited to, all of Yerba Buena Island, all of Treasure Island, the east shore of Angel Island, all of Alcatraz Island, between Point Bonita and Yellow Bluff in Marin, and from Candlestick Park around the San Francisco Peninsula down to the extension of the county line below Harding Park.

In the event that another regulatory authority has exclusive jurisdiction over any of this shoreline area, the special-use district shall begin at the boundary of the shoreline under the jurisdiction of the City and County of San Francisco and extend out 1,200 feet.

(c) There shall be a 200-foot wide access corridor for personal watercraft along the shortest route possible from Pier 52 through the special use area. The access corridor shall be marked by buoys, and the speed limit in the corridor shall be 5 miles per hour.

(c) The restrictions imposed by this Section shall not apply to the use of personal watercraft by Fire Department or Coast Guard personnel in the performance of search and rescue missions.

(d) Signs summarizing the relevant provisions of this Article shall be erected where personal watercraft have the ability to launch. These signs shall also provide a telephone number designated to accept calls by the public reporting violations of this Article.

SEC. 47.4. FEDERAL FUNDS.

Any officer, department or agency of the City and County which applies for federal funds pursuant to 26 U.S.C. § 9504(b)(2) in order to build a recreational boat launch facility on lands or water under the jurisdiction of the City and County must first notify the City Attorney and the Commission on the Environment.

SEC. 47.5. VIOLATIONS; ENFORCEMENT; PENALTIES.

(a) A violation of the provisions of Section 47.3 shall be an infraction. Any person found guilty of such an infraction shall be punished by a fine not to exceed $50.00 for the first offense; for the second offense committed within a one-year period by a fine not to exceed $100.00; for third and each additional offense committed within a one-year period by a fine not to exceed $250.00.

(b) Any person who commits, or proposes to commit, an act in violation of this Article may be enjoined therefrom by any court of competent jurisdiction. Action for injunction under this Section may be brought by any aggrieved person, by the District Attorney, by the City Attorney, or by any person or entity which will fairly and adequately represent the interests of the public.

SEC. 47.6. CITIZEN ENFORCEMENT ACTIONS.

(a) Any citizen may commence a civil action on his or her own behalf against any person who is alleged to have violated, or to be in violation of the provisions of this Article.

For purposes of this Section, "citizen" shall mean either an individual who resides in the City; or a corporation, partnership or association that maintains its principal office in the City, and which has an interest which is, or may be, adversely affected.

(b) In any action brought under this Section where the City is not a party, the City may intervene as a matter of right. Whenever an action is brought under this Section, the plaintiff shall serve a copy of the complaint on the City Attorney upon filing. No consent judgment or settlement shall be entered in an action in which the City is not a party prior to 30 days following receipt of the proposed consent judgment or settlement by the City Attorney.

(c) The court in issuing any final order brought pursuant to this Section shall award costs of litigation (including reasonable attorney and expert witness fees) to any prevailing or substantially prevailing party who brought the underlying action, when the court determines such an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought by the citizen, require a filing of a bond or undertaking in accordance with State law and local court rules.

(d) Nothing in this Section shall restrict any right which any person may have under any statute, ordinance, or common law to seek enforcement of any requirement prescribed by or under this Article, or to seek any other relief. Nothing in this Section shall be construed to prohibit or restrict the City from bringing any administrative, civil or criminal action or obtaining any remedy or sanction against any person to enforce any requirement set forth in this Article.

SEC. 47.7. SEVERABILITY.

If any provision, section, paragraph, clause, sentence or phrase of this ordinance, or the application thereof to any person or circumstances, shall be held invalid, such invalidity shall not affect the other provisions or applications of this ordinance which can be given effect

without the invalid provisions or application and, to this end, the provisions of this ordinance are hereby declared to be severable.

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: _____
THOMAS J. OWEN
Deputy City Attorney

PORT OF SAN FRANCISCO

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MEMORANDUM

August 11, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Port Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

BACKGROUND

On June 24, 1997, the Port Commission adopted the Port of San Francisco Waterfront Land Use Plan, thereby lifting the seven-year moratorium on non-maritime development on Port piers and properties within 100 feet of the shore, and providing a blueprint for the future use of Port property. This accomplishment, along with the current upswing in the real estate market and other factors, has spurred considerable interest by private developers, public agencies and citizens in revitalization of Port property. The Port's Planning & Development Division has been working on several projects to implement the Waterfront Plan. The purpose of this report is to provide you with a brief update of these projects.

THIS PRINT COVERS CALENDAR ITEM NO. 7A

MAJOR PLANNING PROJECTS

BCDC Negotiations

Over the past several years, the Port Planning Staff has been working closely with staff of the Bay Conservation and Development Commission ("BCDC") to jointly develop changes to BCDC policies and regulatory procedures to allow implementation of the Waterfront Plan goals, and to more effectively meet BCDC's mandate to improve public access to the waterfront and the Bay environment.

The objectives of the negotiations with BCDC are to comprehensively identify where on Port property new public access should be provided and where fill should be removed, and to implement these changes as new waterfront development projects occur. The negotiations also address amendment of BCDC policies and permitting procedures to increase the efficiency and effectiveness of the BCDC permit and design review process, while adding clarity and certainty to the land use approvals process for Port properties.

The negotiations will result in draft amendments to BCDC plans and procedures which will be released for public review and comment by the BCDC and Port Commission towards the end of 1998.

Historic Preservation Planning

The Waterfront Plan includes historic preservation policies. Pursuant to these policies, certain historic resources, such as the Ferry Building and Agriculture Building, will be preserved and rehabilitated consistent with the Secretary of Interior standards for preservation. Other resources, such as pier bulkhead buildings, will be retained, and still others require further preservation review and analysis before determining which additional resources should be retained and to what extent they can be rehabilitated.

With generous assistance from the Foundation for San Francisco's Architectural Heritage, the Port is conducting further research and analysis of its historic resources north of China Basin Channel. Once the research is completed, the Port will conduct feasibility analyses before formulating further historic preservation recommendations for public review and consideration by the Port Commission. Our goal is to substantially complete the staff work necessary to generate recommendations by the end of this year. However, this priority will need to be managed with those of completing the BCDC negotiations and amendments, and maintaining timely processing of Port commercial development and maritime projects and building permits.

Some of these projects, such as the proposed Pier 1 Port and maritime office project, involve historic preservation and adaptive reuse. These preservation efforts will be reviewed by the Port as part of the approval process for individual projects, and may occur in advance of developing historic preservation policies for other waterfront areas.

Southern Waterfront Planning

The Mission Bay area is the subject of several overlapping planning and development projects which have direct impacts on Port property. Staff will continue its ongoing efforts with the community and City agencies to ensure that proper attention is given to the interrelationship between the Pacific Bell Ballpark, UCSF and Mission Bay, and the Pier 52 public boat launch.

The Port has received several lease proposals for sites in the Southern Waterfront. Many are for industrial activities south of Islais Creek for limited terms which do not preclude the potential long-term development of maritime and cargo facilities. A number of these proposed uses (e.g. concrete crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview neighborhood. The planning staff is working with other Port real estate, environmental and engineering staff to identify and include lease provisions which minimize or avoid impacts on nearby populations. We are also meeting with community representatives to keep them informed of the Port's leasing activities, and to solicit their input about mitigation measures and about how to responsibly manage industrial uses, recognizing that there will be a continuing need to accommodate some of these activities in the City.

MAJOR COMMERCIAL DEVELOPMENT AND MARITIME PROJECTS

Attached are Project Summary Sheets for each of the major commercial development and maritime projects currently underway by Planning & Development Division staff. This information is meant to provide you with a brief status report on the Division's activities.

Prepared by: Paul Osmundson, Director of Planning & Development

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FERRY BUILDING REHABILITATION PROJECT

PROJECT MANAGER	Alec Bash, Planning & Development
PROJECT DESCRIPTION	The Port is seeking redevelopment of this City Landmark building with ground floor retail, transportation and public uses and complementary upper floor office and other commercial uses. The project has received initial funding from the Federal Highway Administration and the Federal Transit Administration, and will require major private capital to accomplish the renovation of this landmark building. The Port will seek a developer with extensive experience in developing and restoring significant historic and waterfront buildings, with clear financial and management capability to build and operate this project. The Port's goals are for a signature project which achieves a high level of public use and support, strengthens the Port's long-term financial position, and enhances the Port's ability to undertake other projects.
STATUS	A developer Request for Qualifications and Proposals (RFQ/P) was issued in May, 1998. Four developers submitted qualifications in June and, following review by a selection panel, the Port Commission invited all four to submit proposals in September. Environmental and historic preservation review for the conceptual development program is nearly complete.
APPROVALS	The project will require a BCDC permit, and a reduction in code required parking must be approved by the San Francisco Planning Department. Design review is required under the Waterfront Design Review Process.
PRIMARY CONSULTANTS	Keyser Marston Associates (financial feasibility), David Robinson (architecture).

SCHEDULE MILESTONES	September 1998	Environmental and Historic Preservation Review Completed
	October 1998	Port Commission Approval of Developer Selection and Exclusive Right to Negotiate
	October 1999	Conveyance of Lease and Commencement of Construction
	Mid 2001	Anticipated completion of development

DOWNTOWN FERRY TERMINAL PROJECT

PROJECT MANAGER	Alec Bash, Planning & Development	Joe Roger, Engineering

PROJECT DESCRIPTION

This project includes new ferry landings at the Ferry Building and associated breakwater, land-side, and public access improvements to enhance the area as a point of embarkation for commuter, excursion and recreational vessels. During the first phase of the project, the existing North Terminal will be relocated and a new South terminal south of the Ferry Plaza will be constructed to efficiently handle the existing and projected increase in ferry passengers. Longer term, additional berths south of the Ferry Plaza could accommodate a possible airport hovercraft or new ferry services to Treasure Island and other locations. Pedestrian access and circulation will be significantly improved by opening the entirety of the Bay side of the Ferry Building to pedestrians and by creating a central concourse through the Building. Other passenger amenities and architectural features will also be provided to improve the Ferry Building's original function as a ferry terminal.

STATUS

The project has been funded primarily by the California Transportation Commission, the Federal Highway Administration and the Federal Transit Administration. The Project has been fully designed and engineered. Environmental and historic preservation clearances have been secured. BCDC, San Francisco Bay Regional Water Quality Board and U.S. Army Corps of Engineers approvals have been obtained. A construction management firm (SFPMC) has been contracted to provide construction document review and construction management services.

APPROVALS

All approvals have been obtained.

PRIMARY CONSULTANTS

ROMA Design Group, Moffat and Nichol Engineers, Port engineering staff, San Francisco Port Management Consultants (SFPMC).

SCHEDULE MILESTONES

October 1998	Solicit Bids for Construction
January 1999	Award Contract
February 1999	Begin Construction
July 2000	Complete Construction

PIER ONE

PROJECT MANAGER	Jennifer Sobol, Planning & Development
PROJECT DESCRIPTION	Pier One will be converted from an interim parking area to Class A office space primarily for maritime-related office uses (including relocation of the Port's administration offices from the Ferry Building), with support parking, ancillary commercial uses and offices for the developer, AMB. New and increased public access will extend around the Pier perimeter, and the shed's historic features will be preserved.
STATUS	On January 21, 1998, the Port issued a Request for Interest and Qualifications ("RFI&Q") to Master Lease and Develop Pier 1. Three parties submitted proposals in response to the RFI&Q. On May 26, 1998, the Port Commission authorized staff to enter into an Exclusive Right to Negotiate ("ERN") with AMB Property Corporation ("AMB") (Resolution No. 98-49). The term of the ERN is for four months (May 27, 1998 - September 26, 1998). The parties are in the process of negotiating the Development Agreement, Master Lease and Sublease Agreement, and AMB, with Port staff assistance, is preparing the applications for Environmental Evaluation, BCDC permit and historical designation.
PROJECT APPROVALS	The Pier One development will be subject to joint waterfront design review by the City and the Port; approval of the Development Agreement, Master Lease and Sublease by the Port Commission; permits from BCDC and the Army Corps of Engineers; and environmental review under CEQA. AMB also is planning to seek listing of the pier on the National Register for Historic Places.
PRIMARY CONSULTANT	AMB has hired Simon Martin-Vegue Winkelstein Moris, Architects, and Architectural Resources Group, Historic Architects, to design the project and various consultants to conduct inspection and testing. The Port has hired David Robinson to prepare a space plan for the Port's offices.

SCHEDULE MILESTONES	September 15, 1998	Finalize Development Agreement, Master lease and Sublease Agreement
	December 1998	Obtain certification of Negative Declaration, approval by Design Review and approval of Development Agreement by Port Commission

June 1999	Commence construction
December 2000	Complete construction

PACIFIC BELL BALLPARK

PROJECT MANAGER: Kari Kilstrom, Planning & Development

PROJECT DESCRIPTION: Construction is well underway for the San Francisco Giants new 42,000-seat ballpark at China Basin. This Project remains a top priority for Port Staff because a number of commitments were made by the Port, the Giants and the City that must be fulfilled prior to opening day in April 2000. Port planners, engineers and property managers are working diligently with the Mayor's Office, other City agencies, and BCDC on the following tasks:

- Pavilion Building design review and approval
- Retrofit and reconstruction of Lefty O'Doul Bridge (a DPW project)
- Design and construction of a new waterfront park on the south shore of China Basin Channel (a.k.a. China Basin Park)
- Bicycle lane striping and pedestrian walkway design along Terry Francois Boulevard.
- SWL 337 parking lot drainage and site remediation plans
- Site permit and building permit reviews and approvals
- Ballpark Transportation Coordination Committee preparation of the Traffic Management Plan for the Ballpark.
- Ballpark Ferry (see separate description).

STATUS: Port Commission approved a Ground Lease, Development Agreement and Conceptual Design in 1997. Construction is underway.

APPROVALS: The Ballpark has received all necessary regulatory approvals. Some of the related tasks listed above will require additional approvals from the Port Commission, BCDC and other City Departments.

PRIMARY CONSULTANTS: NONE

SCHEDULE MILESTONES:

August 1998	Port Commission reviews Pavilion Building Design
Fall 1998	BCDC review of final plans for China Basin Park and bike lanes on Terry Francois Boulevard
July 1999	Begin Parking Lot Construction
April 2000	Opening Day

BALLPARK FERRY LANDING – CHINA BASIN CHANNEL

PROJECT MANAGER	Anne Cook, Planning & Development
PROJECT DESCRIPTION	The Port and the San Francisco Giants are committed to providing ferry service to the Pacific Bell Ballpark at China Basin Channel when it opens in April 2000. To accomplish this goal, in June, the Port issued an RFP for a ferry operator to finance, design, build and operate a ferry landing at China Basin Channel. The primary purpose of the project is to ensure ferry service to Ballpark events. However, the Port also will encourage operators to consider how they might use the facility more extensively, by providing more expanded ferry service or excursions to increase revenue to the Port and to further activate the waterfront.
STATUS	Proposals are due on Friday, August 7, 1998 at 5:00 p.m.
APPROVALS	The Project will require permits from BCDC, the U.S. Army Corps of Engineers, and the Regional Water Quality Control Board.
PRIMARY CONSULTANTS	NONE

SCHEDULE MILESTONES	August 1998	Evaluation of proposals and interviews
	September 1998	Recommendation to Port Commission regarding exclusive negotiations
	November 1998	Lease approval by Port Commission
	Spring 1999	Construction begins

RINCON PARK RESTAURANT

PROJECT MANAGER	Anne Cook, Planning & Development
PROJECT DESCRIPTION	The Rincon Park Restaurant development opportunity will create a first-class restaurant along the Embarcadero Promenade which takes advantage of stunning Bay views and the rapidly redeveloping South Beach neighborhood. The 20,000 square foot site is located at the south end of the approximately 3 acre Rincon Park which will stretch along the Embarcadero between Howard and Harrison Streets. The site is within the Rincon Point/South Beach Redevelopment Plan project area, and was the subject of a 1995 Agreement to Lease between the Port and the Redevelopment Agency.
STATUS	The Port Commission authorized Staff to issue an RFP for the project on March 10, 1998. (Resolution No. 98-27). The RFP was issued on July 23rd. Because the restaurant was studied in the EIR for the Rincon Point-South Beach Redevelopment Plan, no further environmental review is anticipated. Through an agreement between the Gap (which is building a headquarters office building at Folsom and Steuart Streets) and the Redevelopment Agency, the Park will be designed, constructed and maintained. A landscape architect has been selected to design the Park.
APPROVALS	In addition to various Port Commission approvals, the Port expects to invite and receive comments on the design of the project from the Redevelopment Agency, the Rincon-Park South Beach CAC and the Planning Department. The Project will require a permit from BCDC.
PRIMARY CONSULTANTS	NONE

SCHEDULE MILESTONES	July 1998	Issued RFP
	September 1998	Proposals due
	October 1998	Staff completes evaluation of proposals and makes recommendation to Commission regarding exclusive negotiations.
		Construction will be coordinated with the Mid-Embarcadero Roadway Project and with Rincon Park.

BRYANT STREET PIER OPPORTUNITY AREA (PIER 30-32/SWL 330)

PROJECT MANAGER	Anne Cook, Planning & Development
PROJECT DESCRIPTION	The Bryant Street Pier Mixed Use Opportunity Area is one of the Port's most attractive development sites and has been the subject of considerable developer interest over the past year. The 13-acre pier and three-acre seawall lot together constitute the Port's largest development site. Pier 30-32 is supported by concrete piles and is in relatively good structural condition. The Waterfront Plan identified this site as an ideal location for public entertainment and attractions with a highly visible maritime component. Support services such as parking and neighborhood-serving business also should be included in the project. Due to the large size of Pier 30-32, the Plan calls for significant maritime and public access uses, together with a mix of commercial activities, all oriented around a common theme, rather than a singular commercial attraction.
STATUS	The Waterfront Plan designated Pier 30-32 (as well as Piers 27-29 & Pier 35) as a possible location for a new passenger cruise terminal. Port staff is preparing a briefing paper on possible locations of the new cruise terminal for Port Commission review prior to determining the overall use program for the Opportunity Area.
APPROVALS	This project will require permits and approvals from the Port Commission, BCDC, the Planning Department, among other agencies.
PRIMARY CONSULTANTS	To be selected.

SCHEDULE MILESTONES	August 1998	Complete site evaluation and financial analysis and hold public hearing on location of terminal
	September 1998	Seek community input, form Advisory Group, Hire Consultants
	October 1998	Draft Developer RFQ/RFP
	November 1998	Issue RFQ/RFP for developer

BROADWAY AND THE EMBARCADERO: HOTEL PROJECT

PROJECT MANAGER	Kari Kilstrom, Planning & Development
PROJECT DESCRIPTION	The seawall lots located near the corner of Broadway and The Embarcadero (323, 324 and 322-1) are one of the few undeveloped areas north of China Basin Channel where hotels are identified as an Acceptable Use in the Waterfront Land Use Plan. The corner site is particularly desirable for a hotel because of its prominent location, water views, and proximity to downtown. The Port's Waterfront Design & Access Element of the Waterfront Plan calls for architectural features that complement the character of the adjacent Northeast Waterfront Historic District and that emphasize the site's relationship to the pier bulkheads across the street and function as a gateway to Broadway.
STATUS	A draft RFP is being prepared, and community input will be solicited regarding the development concept. An Advisory Group is being formed to provide input regarding the development prior to issuance of an RFQ/RFP for the Site.
APPROVALS	The project will require various approvals from the Port Commission, and will be subject to joint design review by the City and Port. A conditional use permit will be required from the Planning Commission.
PRIMARY CONSULTANTS	Site evaluation, proposal evaluation and financial analysis is being provided by HVS International, a real estate consulting firm with expertise in the hospitality industry. Site planning and design analysis is being provided by Robin Chiang & Company.

SCHEDULE MILESTONES	August 1998	Site evaluation and financial analysis Community Input from Advisory Group
	September 1998	Issue RFQ/RFP
	December 1998	Select Developer, commence negotiations

PIER 70 OPPORTUNITY AREA

PROJECT MANAGER — Anne Cook, Planning & Development

PROJECT DESCRIPTION — The Waterfront Land Use Plan identifies an approximately 16 acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several historic Union Iron Works buildings are included within this opportunity area. The Waterfront Plan allows non maritime land uses in this area which result in the preservation and adaptive reuse of the historic buildings, are consistent with the Design and Access Element of the Waterfront Plan, and which do not preclude nearby water-dependent uses or associated support services. Additional development of the Opportunity Area also is permitted provided that public access improvements are extended to the water's edge as indicated in the Waterfront Plan, and other Plan criteria are met.

STATUS — Developer interest in the Pier 70 area has increased over the past year, particularly in light of the planned Mission Bay and UCSF projects to the north. Because the Port would like to seize the opportunity to preserve the historic buildings in the Opportunity Area, staff has begun to determine the parameters of a development opportunity in this area.

APPROVALS — The project will require various approvals from the Port Commission, the Planning Commission, the Board of Supervisors and BCDC. Portions of the property also may need to be surplussed from the Public Trust. Environmental investigations and review will be required.

SCHEDULE MILESTONES

August 1998	Establish project boundaries and timeline
September 1998	Seek community input and form Advisory Group
October 1998	Draft RFQ/P

PIERS 15 – 17 AND PIERS 27 - 29

PROJECT MANAGER	Kirk Bennett, Planning & Development
PROJECT DESCRIPTION	The Waterfront Land Use Plan designates these piers as Transitional Maritime Areas in recognition of the trend toward consolidating cargo operations in the southern waterfront. The Plan states that when these facilities are no longer required exclusively for maritime operations, reuse of the facilities should include a mix of maritime and commercial activities that respond to the goals for the Northeast Waterfront. These piers provide key opportunities for publicly oriented activities because of the large surface area of each facility. Either site could be the location for a public market or family oriented recreational or entertainment facility that would appeal particularly to residents of the City and the Bay area
STATUS	The Port staff will begin the review process set forth in chapter 3 of the Waterfront Plan to determine if, on balance, these piers no longer are required or suitable for maritime use exclusively. In addition, Piers 27 – 29 has been identified in the Waterfront Plan as a possible location for a new passenger cruise terminal. Port staff is preparing a briefing paper for Port Commission review on possible locations of the new cruise terminal prior to determining the overall use program for Piers 27-29.
PROJECT APPROVALS	Waterfront Design Review, BCDC, Army Corps of Engineers, RWQCB

SCHEDULE MILESTONES	August 1998	Review suitability for continued maritime use
	September 1998	Review concepts with Advisory Group

PIER 52 PUBLIC BOAT LAUNCH

PROJECT MANAGER	Dan Bell, Planning & Development	Carleen Ho, Engineering
PROJECT DESCRIPTION	In 1994 the Port Commission approved $1.4 million in capital funding for a major expansion and public access enhancements at the existing, single-lane public boat launch near Pier 52, along Terry Francois Boulevard. The project includes a new double-lane public boat launch, shoreline improvements and public access, area for a future café/bait shop, and an off-site parking lot for auto-trailer spaces. The project also includes a gangway and float for disabled access.	
STATUS	Port staff has secured a $295,000 grant from the California Department of Boating and Waterways (Cal Boating) for construction of the boat launch and public access improvements, and an additional $198,000 grant for a 40 space off-site auto-trailer parking lot. The project description has changed in recent months because of increased construction estimates, in response to land transfers between the Port and Catellus Corporation (developers of Mission Bay), and the need to increase the number of off-site auto trailer-parking spaces.	
APPROVALS	The Bay Conservation and Development Commission (BCDC) approved the original design of the boat launch and parking lot in January 1997. BCDC approved an amended design in June 1998. Army Corp of Engineering permits have been secured for the project.	
PRIMARY CONSULTANTS	ARCUS (Architecture)	
SCHEDULE MILESTONES	September 1998	Earliest possible date to release construction bids

PIER 43 PUBLIC FERRY TERMINAL

PROJECT MANAGER	Dan Hodapp, Planning & Development
PROJECT DESCRIPTION	A public ferry terminal will be constructed at Pier 43 to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will involve a floating berth, pilings, gangway system, and ramps to connect to Pier 43.
STATUS	The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The project received federal and state environmental clearance, as well as right of way clearance, in August 1997. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal.
APPROVALS	The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and Regional Water Quality Control Board.
PRIMARY CONSULTANT	To be selected.

SCHEDULE MILESTONES	June 1998	Cooperative Agreement Finalized
	September 1998	Vallejo begins design process
	March 1999	Design Completed
	June 1999	BCDC and other permits received
	August 1999	Construction begins

HYDE STREET FISHING HARBOR

PROJECT MANAGER	Dan Hodapp, Planning & Development	Carleen Ho, Engineering

PROJECT DESCRIPTION

A new 62-berth harbor located immediately east of Hyde Street to serve the commercial fishing fleet in Fisherman's Wharf. The harbor adds to the existing 116 berths that are currently located in the inner and outer lagoons at Fisherman's Wharf. The project incorporates an extensive list of features to improve the water quality in the area, including a floating debris barrier, holding tank and bilge pumpout facilities, parking lot drainage into the City sewer system, and recycling facilities. Total project cost is $4.55 million. The Port received a $3.5 million loan from the California Department of Boating and Waterways. The remainder of the cost will be a combination of Port Capital funds and State grant funds.

STATUS

The Planning Commission certified an EIR for the project in December 1996 and found no significant environmental impacts to be caused by the new harbor. The Port has contracted with Concept Marine Associates to prepare detailed design and construction drawings which are now 50 percent complete. During the past eight months Port staff has worked with the Fisherman's Wharf Environmental Quality Advisory Committee to determine the most appropriate water quality improvements that could be included in the project. A majority of the issues have been discussed and have received unanimous support from the Committee. The remaining issues are continuing to be discussed.

APPROVALS

Permit approvals are expected from the Regional Water Quality Control Board and BCDC by the end of October, and a permit from the Army Corp of Engineers is expected by the end of November.

PRIMARY CONSULTANTS

Concept Marine Associates

SCHEDULE MILESTONES

November 1998	Port Commission approval to advertise for construction bid
March 1999	Construction begins
October 1999	Construction complete

PIER 43 1/2 PUBLIC ACCESS AREA

PROJECT MANAGER	Dan Hodapp, Planning & Development
PROJECT DESCRIPTION	Reconstruct the public access area at the northwest end of Pier 43 ½ as required by BCDC. The Port receives approximately $500,000 per year in revenue from the Pier 43 ½ parking lot. The project is an approximately 40 by 60 foot area and will include a raised platform to accommodate wheelchair viewing, and a historic pier bell and replica of a bell reflector. There will also be interpretive signage explaining the history and use of the pier bell. The total project cost is $470,000 which will be funded by a combination of Port Operating Budget and Capital funds.
STATUS	Port Facilities and Operations Division began construction in May of this year and has completed the pier deck. Construction of the surface improvements and bell structure will begin in August and should be completed in October.
APPROVALS	BCDC approved the permit for this project in February, 1998.
PRIMARY CONSULTANTS	NONE

SCHEDULE MILESTONES	October 1998	Construction completed

PIER 47A

PROJECT MANAGER	Dan Hodapp, Planning & Development
PROJECT DESCRIPTION	Remove and reconstruct the existing pier. The Port received a grant from the Federal Highway Administration to reconstruct Pier 47A as a public pedestrian pier. The pier will include access along its length for fishing boats and features a widened area at the end for public viewing. The end of the pier includes a wheelchair accessible viewing area, benches, railings, lighting, and space for interpretive signage. The pier offers excellent views of fishing boats unloading onto the west side of Pier 45.
STATUS	The Port completed construction documents and advertised for construction bids on April 10. All bids were rejected due because they exceeded the project budget. Port crews will demolish unsafe portions of the existing pier beginning in August. The Port will rebid the project for construction following approval of the Port's Capital Plan later this year.
APPROVALS	The Port secured approval from BCDC for the proposed work.
PRIMARY CONSULTANTS	NONE

SCHEDULE MILESTONES	December 1998	Advertise for construction bids
	March 1999	Construction begins
	September 1999	Construction completed

MID-EMBARCADERO ROADWAY

PROJECT COORDINATOR	Dan Hodapp, Planning & Development	
PROJECT DESCRIPTION	Embarcadero Roadway improvements, Ferry Building plaza, and Embarcadero Promenade between Broadway and Folsom Streets to match improved Roadway to the north and south of the project area.	
STATUS	The project was approved by the Port Commission, Planning Commission, and Board of Supervisors during 1996 and 1997. Construction began on July 13, 1998 and will take approximately two years to complete.	
PROJECT FUNDING	Project is funded by a variety of City, State and Federal sources.	
SCHEDULE MILESTONES	July 1998	Construction began
	July 2000	Construction completed

PORT OF SAN FRANCISCO

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MEMORANDUM

August 4, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong

SUBJECT: Informational Report on the Establishment of an Advisory Group for a Hotel Development at Broadway and The Embarcadero.

The Port Commission adopted *The Waterfront Land Use Plan* on June 19, 1997, after a 6-year planning process. The Waterfront Plan established land use goals and policies and indicated acceptable land uses for properties throughout the waterfront. It also identifies specific Waterfront Mixed-Use Opportunity Areas, including the Broadway Pier Mixed-Use Opportunity Area, which consists of Pier 9 and Seawall Lots 321, 322-1, 323 and 324. The development standards established for this Mixed-Use Opportunity Area identified the seawall lots as having "high near-term revenue-generating potential for the Port, and optimizing revenue should be a strong consideration in their development." These development standards also identified Seawall Lots 323 and 324 in particular as a desirable location for new commercial uses, including a hotel, in that such uses would be compatible with the existing mix of residential and office uses in the area, and would help connect the waterfront with the City. The seawall lots in the Broadway Pier Mixed-Use Area are among the few parcels on Port property for which hotel is indicated as an acceptable use.

The Waterfront Land Use Plan also indicates that as part of the site-specific development process, an Advisory Group would be established for each major project to provide input and guidance to the Port as it defines the development concept to be incorporated into the request for qualifications/proposals for the project. Port staff has, therefore, established an advisory group to provide input on the development of a hotel anchoring the development of the Broadway Pier Mixed-Use Opportunity Area. Specifically, the advisory group will provide input on the Broadway Development site, consisting of Seawall Lots 322-1, 323, and 324, as well as a parcel owned by the City which connects Seawall Lots 322-1 and 324. A map showing these parcels is attached. The composition of the Broadway Development Site Advisory Group is made up of representatives of the communities

surrounding the Broadway Development Site, individuals knowledgeable in hotel development ad Port tenants located in the Northeast Waterfront. The members of the Broadway Development Advisory Group are as follows:

- Chairman
  Mike Franklin
  General Manager
  Levi Plaza

- Jasmine Kaw
  Neighborhood Improvement Coordinator
  China Town Community Development Center

- Gentle Blythe
  Community Organizer
  Telegraph Hill Neighborhood Center

- Carrie Ludwig
  Condominium Owner
  Golden Gateway

- Bob Wilhelm
  Past Chairman, Visitors & Convention Bureau
  Former General Manager, Westin St. Francis

- Carlos Arfe, Owner
  You & Leisure Travel
  Pier 27 Annex

- Flicka McGurrin
  Owner
  Pier 23 Café

- Craig McCabe, Vice President
  Hornblower Yachts, Inc.
  Pier 3

This Advisory Group will meet beginning in August and continuing into September. To assist this Advisory Group, Port staff has retained HVS International, a feasibility and appraisal firm specializing in the hospitality industry, and Robin Chiang & Company, a MBE planning and architectural firm, whose principal served on the Waterfront Plan Advisory Board. Based upon the input provided by the Broadway Development Site Advisory Group, Port staff anticipates that it will request the Port Commission to approve issuance of a request for qualifications/proposals for the Broadway Development Site at the Port Commission's September 22, 1998 meeting.

Prepared by: Paul Osmundson, Director Planning & Development

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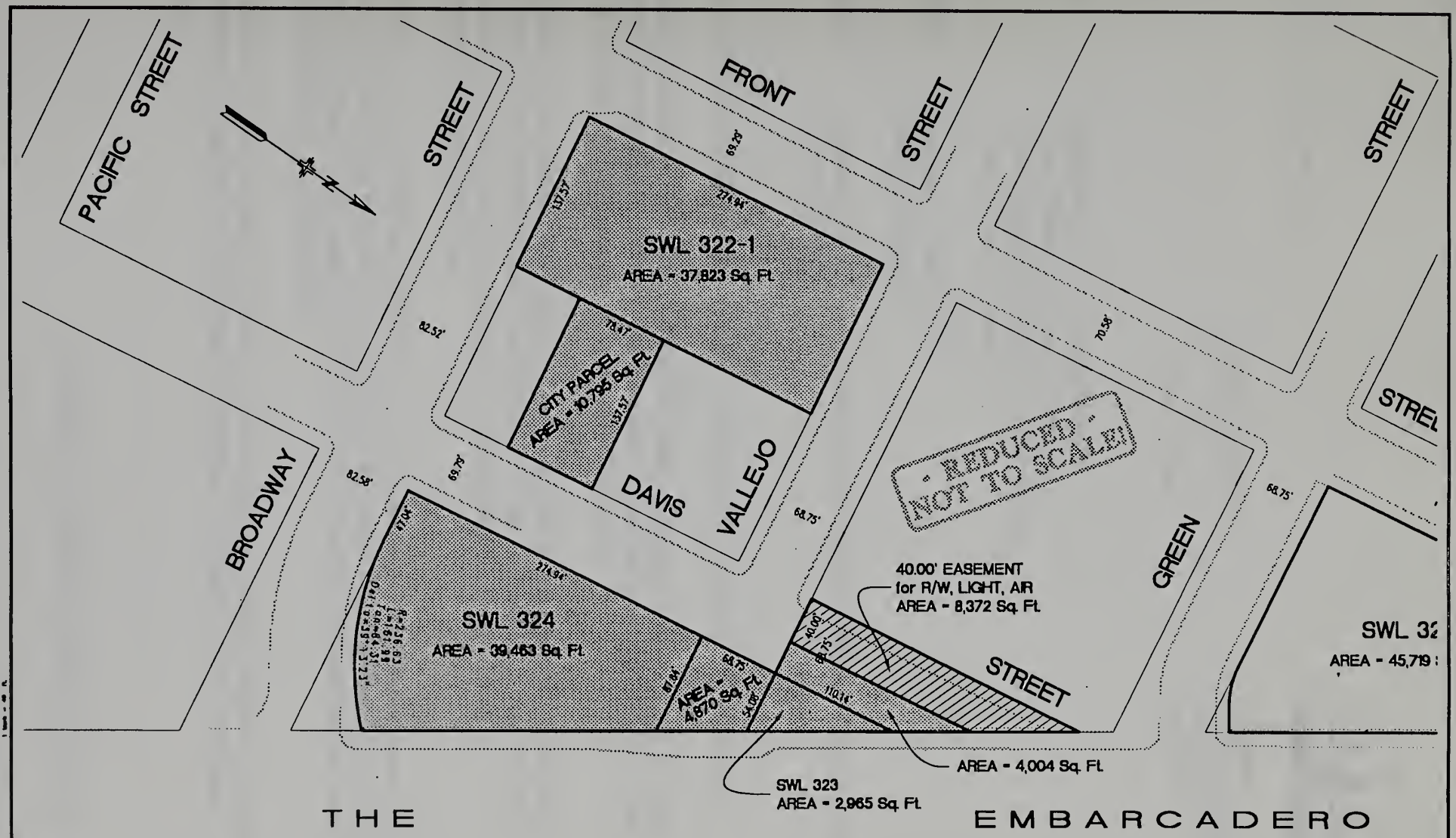

GRAPHIC SCALE

REFERENCE INFORMATION & FILE NO. OF SURVEYS

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

BROADWAY - EMBARCADERO DEVELOPMENT SITE

DESIGNED BY: K. KELSTROM	CHECKED BY: CHECKED
DRAWN BY: AMN	DATE: 04 AUG 88
CONTRACT NO.: CONTRACT	SCALE: 1" = 40'
DRAWING NO.: XXXXX-XX-XX	SHEET NO.: 1

PORT OF SAN FRANCISCO

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MEMORANDUM

August 5, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of $705,000 in amendments to the Port's 1998/99 Capital Plan and Operating Budget.

DIRECTOR'S RECOMMENDATION: APPROVE ATTACHED RESOLUTION

The Port Commission approved the 1998/99 Operating Budget at its February 24, 1998 meeting by Resolution No. 98-17. The Commission also approved the 1998/99 Capital Plan at its April 14, 1998 meeting by Resolution No. 98-30.

Subsequent to the Commission approval, the Capital Plan and Budget were forwarded to the Mayor's office for their review and approval. Under the current Charter, the Mayor and the Board of Supervisors can add and/or reduce budgets submitted by City departments, including the Port.

The Mayor's office redirected $705,000 from the Operating and Capital budgets of the Port to fund a portion of the local match for repairs to the Lefty O'Doul bridge. The total cost of the repair project is estimated at $12 million with $10 million in grant funding and a $2 million matching funds requirement.

The Burton Act and Transfer Agreement provisions require action by the Port Commission to authorize an expenditure of Port funds for purposes of repairing the Lefty O'Doul Bridge.

THIS PRINT COVERS CALENDAR ITEM NO. 8A

The Lefty O'Doul Bridge was built by the Department of Public Works (DPW) in 1931 and has been operated and maintained by DPW. Because the Lefty O'Doul Bridge was owned and maintained by the City at the time of the transfer and it is outside of the Port area, the Transfer Agreement provides that the City may not require the Port to expend Port funds for the maintenance of the bridge. However, if the Port Commission deems the maintenance of the bridge to be reasonably necessary to maintain access to and from the Port, it could authorize the expenditure since the bridge is adjacent to Port property.

Port funds were redirected as follows:

▪ Capital Plan	
Bulkhead Façade Painting	$200,000
Pier 43-½ Public Access	$105,000
Pre-Development Studies	$250,000
▪ Operating Budget	
Asbestos Assessment & Removal	$150,000
TOTAL	**$705,000**

Staff intends to recommend funding these and other projects in a revised 1998/99 Capital Plan with $8,524,000 in congestion relief funds expected to be received in the next few weeks.

Prepared by: Ben Kutnick
Director of Finance & Administration

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-72

WHEREAS, the Port Commission, by Resolution No. 98-17, approved the 1998/99 Operating Budget; and

WHEREAS, the Port Commission, by Resolution No. 98-30, approved the 1998/99 Capital Plan; and

WHEREAS, the Mayor redirected $150,000 from the Operating Budget and $555,000 from the Capital Plan to fund a portion of the maintenance of the Lefty O'Doul Bridge; and

WHEREAS, the Port Commission believes that maintenance of the bridge is necessary to maintain access to and from the Port; therefore, be it

RESOLVED, that the Port Commission hereby approves the reallocation of $150,000 in Operating and $555,000 in Capital funds for the maintenance and repair of the Lefty O'Doul Bridge.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 11, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

August 4, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of five year lease with the California Foundation for the Environment and the Economy at Pier 35 (The Embarcadero at Bay Street).

DIRECTOR'S RECOMMENDATION: APPROVE LEASE WITH THE CALIFORNIA FOUNDATION FOR THE ENVIRONMENT AND THE ECONOMY

BACKGROUND

The California Foundation for the Environment and the Economy ("CFEE") has approached the Port to lease approximately 4,884 square feet of second floor Bulkhead Office Space at Pier 35. The space previously had been occupied for over 15 years by Philip Williams and Associates, a hydrology engineering firm. The space is in need of extensive renovation. CFEE proposes to lease this space for five years at Port Commission's approved rental rates and to install approximately $200,000 of permanent tenant improvements in the facility. A floor plan of the proposed Tenant Improvements is attached as Exhibit B. CFEE and Port staff have successfully negotiated a new lease (Lease No. L-12606) on the following terms and conditions:

PROPOSED TERMS AND CONDITIONS

1. **Tenant**: California Foundation for the Environment and the Economy.

2. **Premises**: Approximately 4,884 square feet of second floor Bulkhead Office Space at Pier 35 (The Embarcadero and Bay Street).

3. **Term**: Five (5) years.

4. **Use**: General office.

5. **Base Rent**: $6,350 per month ($1.30 per square foot).

6. **Base Rent Adjustments**: Annually per CPI formula.

7. **Right to Early Entry**: Upon execution of Lease for Tenant Improvement construction only.

8. **Rent Credits**: Standard Port carpet ($2.50 per square foot) and interior wall finishes ($2.50 per square foot) only.

9. **Maintenance and Repairs**: Tenant.

10. **Utilities**: Tenant.

11. **Tenant Improvements**: Tenant to design, construct and install the Exhibit B Tenant Improvements by not later than the first anniversary date or the Port may terminate the lease.

Port Commission approval of this lease is required for leases containing rights of early entry of greater than one (1) month. The lease before the Commission provides for a four and one half (4½) months right of early entry to allow for the rather extensive remodeling proposed by CFEE. In return for the agreement by CFEE to install these tenant improvements, the Port will permit CFEE to sublease up to fifty percent (50%) of the space without Port participation in the excess rental.

Port staff recommends that the Port Commission approve the terms of Lease No. L-12606.

Prepared by: Nicolas J. Dempsey, Commercial Property Manager

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-76

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section 3.581 (g) leases granted or made by the Port Commission shall be administered exclusively by the operation forces or the Port Commission; and

WHEREAS, the California Foundation for the Environment and the Economy ("CFEE") has negotiated the terms of a lease (Lease No. L-12606) for space in the second floor Bulkhead offices at Pier 35 (The Embarcadero at Bay Street); now, therefore, be it

RESOLVED, that the Port Commission hereby approves Lease No. L-12606 with the California Foundation for the Environment and the Economy for 4,884 square feet of second floor Bulkhead Office Space at Pier 35 incorporating the business terms set forth in the Memorandum for Agenda Item 9A for the Port Commission meeting on August 11, 1998 and authorizes the Executive Director or his designee to execute the Lease, and to take such further action as may be required to implement the Lease.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 11, 1998.

_____
Secretary

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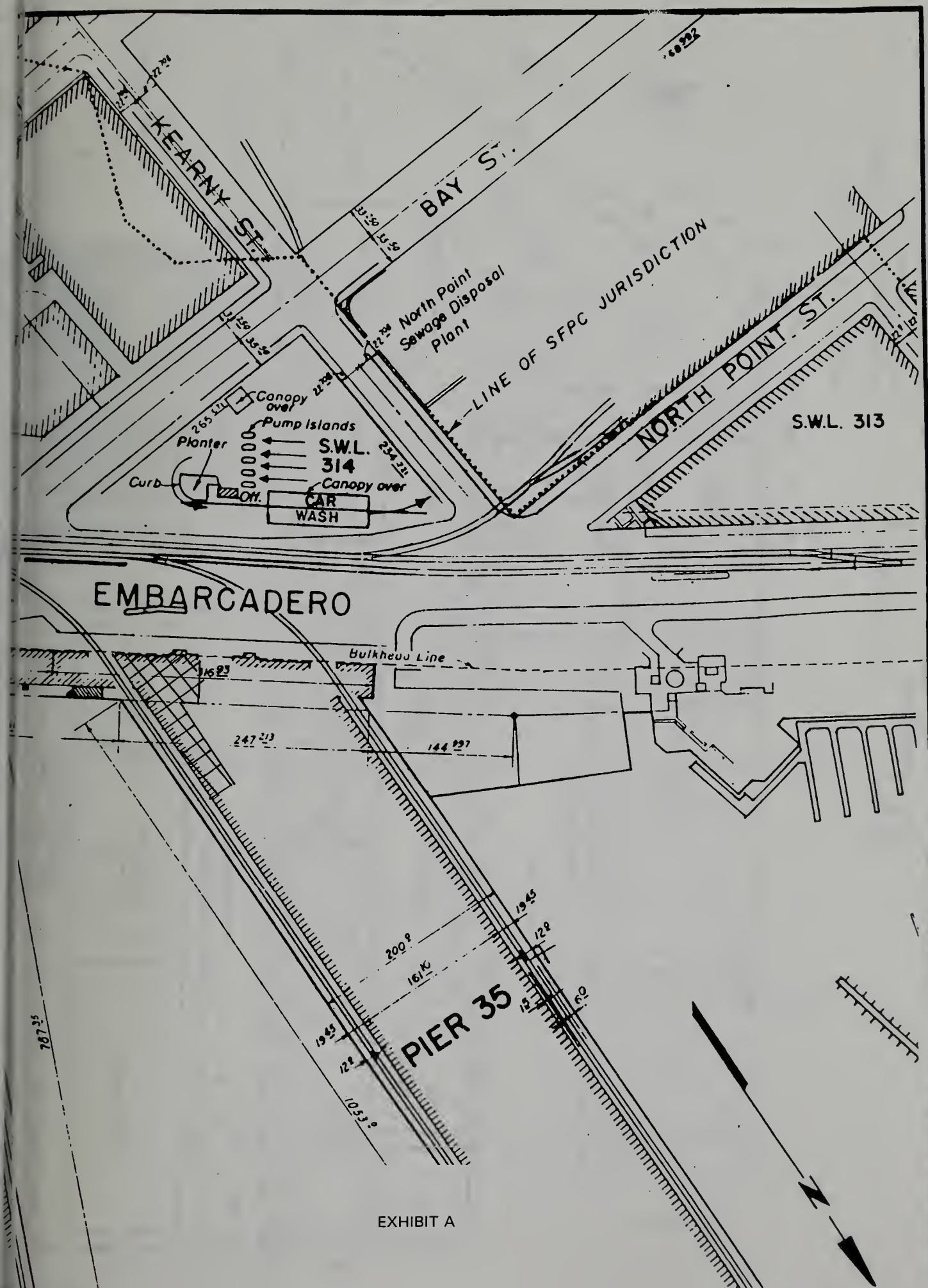
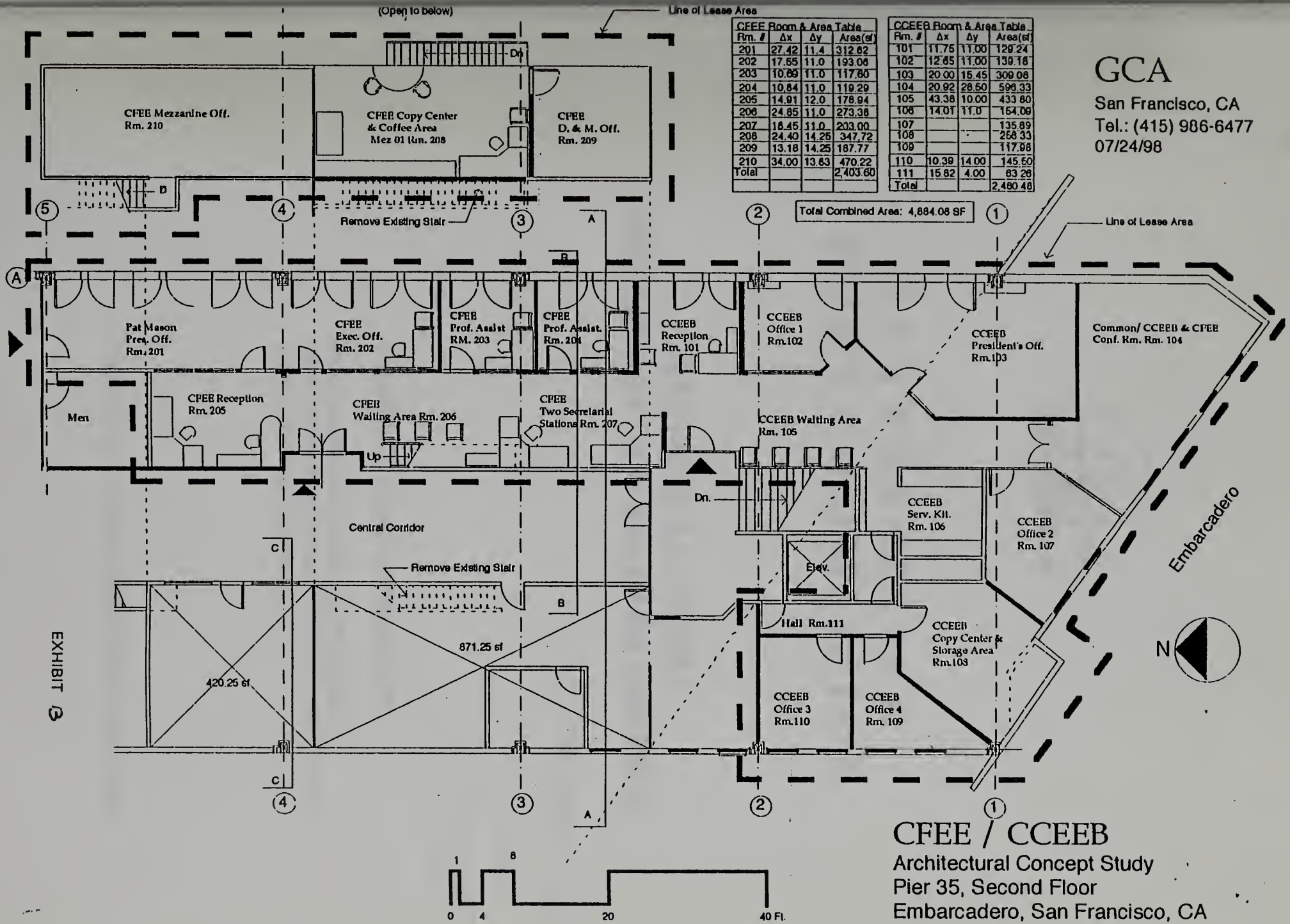


EXHIBIT A

W-41



CFEE Room & Area Table

Rm. #	Δx	Δy	Area(sf)
201	27.42	11.4	312.62
202	17.55	11.0	193.06
203	10.69	11.0	117.60
204	10.84	11.0	119.29
205	14.91	12.0	178.94
206	24.85	11.0	273.36
207	18.45	11.0	203.00
208	24.40	14.25	347.72
209	13.18	14.25	187.77
210	34.00	13.83	470.22
Total			2,403.60

CCEEB Room & Area Table

Rm. #	Δx	Δy	Area(sf)
101	11.75	11.00	129.24
102	12.65	11.00	139.16
103	20.00	15.45	309.08
104	20.92	28.50	596.33
105	43.38	10.00	433.80
106	14.01	11.0	154.09
107			135.89
108			258.33
109			117.98
110	10.39	14.00	145.50
111	15.82	4.00	63.26
Total			2,480.48

EXHIBIT 3

GCA

San Francisco, CA
Tel.: (415) 986-6477
07/24/98

CFEE / CCEEB

Architectural Concept Study
Pier 35, Second Floor
Embarcadero, San Francisco, CA

SAN FRANCISCO
PORT COMMISSION

AUGUST 11, 1998
MINUTES OF THE REGULAR MEETING

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
AUGUST 11, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:06 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, and Michael Hardeman.

2. APPROVAL OF MINUTES - July 28, 1998 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report. Mr. Wong reported the following:

- Ferry Building – A Preliminary Negative Declaration of Environmental Impact has been published for the Ferry Building Rehabilitation project and is being circulated for public comment. Pending the closing of the public comment period with no major issues raised, the negative declaration will be finalized, allowing the developer of the Ferry Building to rely on this environmental document. Mr. Wong thanked Paul Osmundson and his staff for their hard work.
- Ballpark Ferry Landing – In response to a Request for Proposals, Port staff received one proposal (from the China Basin Ballpark Company) for the passenger vessel landing at the ballpark. Staff is in the process of reviewing the proposal and will make a recommendation to the Port Commission regarding how to proceed with the project at the August 25th Commission meeting.
- Pier 96 RFP – Last month, staff advertised the Pier 96 RFP. Approximately 150 RFPs were sent out. Staff received one proposal (from Coach USA, owners of Grosvenor Bus Company). Staff is negotiating with Coach USA and expects to have a request for exclusive negotiations at the next Commission meeting.
- Rincon Park Restaurant – Port staff has issued the RFP for the restaurant at Rincon Park. The pre-proposal meeting and site visit are scheduled for August 13th at 2 p.m. The proposals are due in September. The Port has received requests from restaurant developers not only from the Bay Area but other parts of the country as well.

- Commission Reappointment – Mayor Brown has reappointed Commissioner Michael Hardeman for another 4-year term. On behalf of Port staff, Mr. Wong congratulated Commissioner Hardeman for his reappointment and looked forward to working him.

Commissioners McCarthy & Brandon congratulated Commissioner Hardeman for his reappointment. Commissioner McCarthy added that he hopes the Mayor appoints the other two Commissioners soon.

4. MARITIME

A. Approval of a month-to-month lease with the National Liberty Ship Memorial, Inc. at Pier 32 for the SS Jeremiah O'Brien. (Resolution No. 98-69)

Mr. Peter Dailey, Director of Maritime, indicated that the Jeremiah O'Brien is one of the remaining operating Liberty Ships from World War II. In 1978, the National Liberty Ship Memorial Corporation, a non-profit organization, was formed to restore, preserve and present to the public an original, unaltered liberty ship. The organization chose the Jeremiah O'Brien, berthed at Piers 30/32 since 1994 under a simple one-page berthing application. This month-to-month lease is aimed at documenting and finalizing the agreement and better coordination of the ship's activities at the pier. The month-to-month lease is comparable to the Pampanito agreement at Pier 45. The ship will be berth along Pier 30/32 and have an adjacent 8,820 square feet of open pier space for parking and storage of equipment. Parking will only be available to crew and visitors. The ship will pay the Port a minimum base rent of $1,000 per month against a percentage rent of 6% for ticket sales, gift shop, charters, and rentals. With Port Commission approval, this agreement also provides for the vessel to move to other berths to gain more visibility during the visitor season.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-69 was adopted.

5. REAL ESTATE

A. Approval of Memorandum of Understanding with the San Francisco Public Transportation Commission ("MUNI") at Seawall Lot 354, Indiana Street, Marin Street, Tennessee Street and Islais Creek. (Resolution No. 98-74)

Mr. Larry Florin, Acting Director of Real Estate, indicated that the MOU for the Glesby Warehouse at SWL 354 along Islais Creek is for a one-year term commencing December 1st with a one-year option. Muni will be using this facility temporarily to replace the diesel coach facility currently located at 20th and Pennsylvania, which is undergoing a renovation. The rent Muni would pay is within the parameters previously established by the Port Commission. Muni is

requesting the Port Commission to allow Muni access to the site starting in September, three months before they intend to begin their operation. Muni needs three months to make the necessary improvements to the site.

Commissioner Brandon pointed out that according to the MOU Muni might enter the premises in November. Mr. Florin replied that Muni wants access to the facility starting in September to perform electrical improvements. Commissioner Brandon asked if this is a one-year lease with a one-year option. Mr. Florin replied to the affirmative and added that Emilio Cruz, Muni's General Manager, had expressed an interest of extending the lease term.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-74 was adopted.

B. Authorization to terminate Lease No. L-10421 with Santa Rosa Partners Limited and to enter into a new replacement lease with Ferryboat Santa Rosa Partners Limited for premises located at Pier 3 for the berthing of the Ferryboat Santa Rosa. (Resolution No. 98-75)

Mr. Florin, Acting Director of Real Estate, indicated that since 1979 the Santa Rosa has been berthed at Pier 3. The current lease runs through 2012. In 1988, the Port consented to the assignment of the original lease from the original tenants, Santa Rosa Partners Limited, to Ferryboat Santa Rosa Partners Limited. A recent title report that was done for the new company indicates that a formal assignment from the now defunct Santa Rosa Partners Limited to Ferryboat Santa Rosa Partners Limited was never done. This action will clear up the title and allow for the refinancing of this project to move forward. The assignment is at exactly the same terms and conditions as the current lease.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-75 was adopted.

6. FACILITIES & OPERATIONS

A. Ratification of a declaration of an emergency for the Pier 43 Arch for contracted assistance to perform a damage evaluation, develop restoration plans, perform emergency shoring and partial demolition. (Resolution No. 98-73)

Mr. Alex Lee, Director of Facilities and Operations, indicated that on July 14, 1998, a fire damaged the historic ferry slip arch structure at Pier 43. The arch and the building adjacent to the west tower were seriously damaged. The arch is a historically significant landmark constructed in 1915. Although the Port intends to restore the arch, the remaining existing structure must be partially demolished and shored for safety reasons. Because of the structure's historical status, the Port has

obtained the services of an architectural consultant to develop the demolition/ shoring plan and a demolition contractor to selectively demolish and shore the structure.

To protect the public from the potential hazard of falling debris from the building, Commission Vice President Kimberly Brandon issued a Declaration of Emergency to the City Controller on July 21, 1998. This allowed staff to begin the emergency shoring, partial demolition, and expert investigation of what needs to be done to restore the structure. It is anticipated that insurance proceeds will fund the cost of hiring the consultant and the demolition contractor. Staff recommended that the Commission ratify the emergency declaration. Because of the structure's historical's significance to the area, the architectural consultant will develop plans to restore the structure to its pre-fire condition under this emergency declaration. The construction work will be handled through the City's normal bidding process.

Commissioner Hardeman inquired if the materials that would be used will be more fire-resistant. Mr. Lee replied that staff would request the historical architect to recommend fire-resistant materials.

Commissioner Brandon asked who was selected as the consultant and demolition contractor. Mr. Lee replied that the consultant is ARG, a historical architecture firm and the contractor would probably be Biller McCoy. Staff is still working with the insurance company to make sure that shoring work and the emergency removal are covered under the insurance.

Commissioner Hardeman commented that he's sure that the tenants in the area wanted the arch repaired. Mr. Lee replied that he was asked by the Board of Governor and Merchants Association to convey their concern to the Commission to restore the arch to its historical fabric and applaud the Port Commission in taking the first step in getting an architectural consultant to study the arch and produce a shoring plan.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-73 was adopted.

B. Authorization to execute Contract Modification No. 3 for Construction Contract No. 2611, "Ferry Plaza and Piers 27 & 29, Earthquake Repair Project, Pile and Deck Repair," with San Luis Gonzaga/Bay Pacific/Ranger Pipelines, Joint Venture. (Resolution No. 98-77) **THIS ITEM WAS TAKEN OFF CALENDAR.**

C. Informational presentation and hearing on proposed amendment to Police Code Prohibiting the Operation of Personal Watercraft in a 1,200 square foot Special Use Area along the San Francisco shoreline.

Roberta Jones, Manager of Environmental and Regulatory Affairs, indicated that

this item is before the Commission at the request of Supervisor Gavin Newsom. On August 13, 1998, Supervisor Newsom will ask the Board of Supervisors to adopt a legislation to restrict the operation of personal watercraft such as jet skis, sea doos, and waverunners in San Francisco's coastal waters within 1200 ft. zone along the shoreline. Access to the coastal waters would still be allowed through an access corridor from Pier 52. The personal watercraft would be prohibited along the 1200 ft. zone along the shoreline which would cover all of the Port's jurisdictional waterfront. The legislation as proposed could preclude the Port from obtaining funds for future projects under the Federal Aid and Sportfishing Restoration Act (also known as Wallup-Breaux Funding). Supervisor Newsom has indicated that he would be willing to make changes to the legislation to eliminate funding conflict.

Ms. Gail Feldman, Chief Legislative Analyst of the Board of Supervisors, clarified that this item has been introduced and will be heard at the Health, Family Environment Committee on August 13. The ordinance is to restrict the areas in which personal watercraft can operate. Such restrictions have already been implemented in the Golden Gate Recreation Area by the federal government and this would include the areas within the Port's jurisdiction as well as around Treasure Island. The purpose of introducing this ordinance is primarily about safety. There is some compatibility between the use of other kinds of activities within the waterfront such as kayaks and other types of sailing vessels. The concern was the speed of the personal watercraft and restricting their access within 1200 feet. Recommendations were made to the ordinance in order to address concerns brought by the Police Department as well as other users. One concern is that there are several public safety agencies in the City that use personal watercraft so the ordinance was drafted to exempt those City departments, which currently include the Fire Department. The legislation is being amended to exempt the Police Department as well if they should ever acquire personal watercraft. The concern with regard to access to areas outside of Pier 52 is also being addressed.

With regard to federal funding, the Federal Aid and Sportfishing Restoration Act prohibits discrimination against any type of vessel accessing federally funded facilities. An access corridor at Pier 52, which is about 200 feet wide, has been developed to allow personal watercrafts to go in and out of the corridor. A suggestion was made to Supervisor Newsom to amend the legislation to allow any future funding that becomes available that there be some kind of blanket exemption so that this would not inhibit the department applying for the funds to move forward. The department would still be required to develop the 200 feet wide access up to the zone of some of the special area for boaters. The department is also required to notify the City Attorney as well as the Commission on the Environment when it applies for the federal funds. Since the Commission on the Environment has no authority over land use matters, they recommend that any department applying for federal funds, contact the Board of Supervisors. It would then be determined whether or not to amend the legislation. There is also a concern about the markings that would delineate what areas are restricted and what areas personal watercrafts have access to. They have asked the San Francisco Police

Department to mark the areas. As well, the Police Department would be responsible for informing boaters of where the restricted areas are since they will be enforcing the ordinance and patrolling the areas. Other options/recommendations were made to the Board with regard to pollution control and establishing speed zones for personal watercrafts.

Russell Long, Executive Director of Bluewater Network, indicated that they had originally approached Supervisor Newsom with the concept of this ordinance. He asked for the Commission's support of the ordinance, as it will be before the subcommittee's agenda for approval on Thursday. He spoke about some of the issues and concerns with personal watercraft in San Francisco. The ordinance is designed to address unique problems associated with jet skiers without jeopardizing any kind of federal funding for future public boat launch grants. Specifically, the ordinance is written which include a clause that specifies that the City Attorney and the Commission on the Environment would be notified if a City agency applies for federal funding for a recreational boat launch facility so that the City could modify the ordinance.

Mr. Long indicated that the Port Commission oversees wetlands and areas frequented by marine mammals and a wide variety of shore birds. Due to the high speeds of the watercrafts and unpredictable movements and noise patterns, jet skis cause dramatically greater, negative impacts on shore birds than any other form of motorized boat. This has been well documented by scientific studies. Jet skis frightened sea lions and seals, causing stampedes that can separate young seals from their mothers. Harbor Master John Davey said jet skis scare, irritate, and startle sea lions swimming to and from Pier 39. The Waterfront Development Plan discusses increasing herring spawning activity along the San Francisco waterfront. Increased jet ski activity, especially activity close to the shore, disturbs fish and destroys fish habitat as well as create conflicts among fishers and jet ski users. Another area of concern is the gas and oil pollution emitted from this craft. It is a serious concern particularly in shallow and remote areas. New statistics from the California Air Board now show that this particular craft create 8.2 times the pollution created by comparable, upward motors of the same horsepower.

The Port has plans for wetland restoration at Pier 98. The unique maneuverability of these particular watercraft, the tendency for jet skiers to travel in packs and the particularly damaging effects of jet skis on shore birds would negate attempts to attract more migrating birds to this area. In addition there are safety concerns associated with these watercrafts, noted by some harbormasters. The operational behavior of this watercraft is a problem. They tend to speed in areas of boating activities. They jump wakes behind the ferries and the harbor.

A large number of recreational groups and organizations have written and testified in support of this ordinance. The groups concerned include kayakers, surfers, swimmers, windsurfers, canoers, wildlife biologists, neighborhood associations and a host of state and local environmental organizations. An extraordinary number of

people have written or testified in favor of this ordinance as well. Diverse support for this ordinance has taken a position including the Planning and Conservation League and a number of other agencies including Commission on the Environment. Mr. Long indicated that it would be reasonable and prudent for the Port Commission to support this ordinance since jet ski activity affects constituents, sensitive habitat and wildlife within its jurisdiction. He asked for the Commission's support and handed a copy of articles/letter.

With regards to funding, Ken Hagan suggested that the group talk to the State Department of Boating and Waterways. At the last State Department of Boating and Waterways meeting, there was a discussion regarding withholding all funds from areas that enacts restrictions on personal watercraft. He noted that both the Hyde Street project and Pier 52 boat launch project are dependent upon funds in the State Department of Boating and Waterways. A majority of projects are funded through the State, not through federal grants. He suggested and encouraged the group to look into this matter so as not to lose any funding sources for Port projects.

Ernestine Weiss addressed the safety factor of the personal watercraft and suggested that they be provided a designated place.

Mr. Long replied that the Department of Boating and Waterways have reviewed and approved the ordinance.

Commissioner Hardeman, referring to the handout circulated by Mr. Long with regard to the analysis of the 1200 square foot special use area along the San Francisco shoreline, asked if the federal government has the jurisdiction around the ocean up to Fort Point or Aquatic Park. Mr. Owen replied that he believes that the oceanfront waters are under the jurisdiction of the Golden Gate National Recreation Area (GGNRA). Commissioner Hardeman asked if the Port would be jeopardizing funds for future Port projects if it were to mirror the proposed ordinance with that of the federal government's. Mr. Owen replied that doing so would not jeopardize funding for future Port projects.

Commissioner Hardeman asked if our ordinance is more restrictive than the federal government's. Mr. Owen replied that although he has not seen the GGNRA's restriction, he believes that this ordinance is more restrictive. Commissioner Hardeman asked for a copy of the GGNRA's regulations and added that he would be uncomfortable voting on this ordinance until such time that he's made a comparison analysis of the two regulations. Mr. Long stated that the GGNRA does not have any regulations on jet skis. The National Park Service has proposed regulations that will be published in the federal register in the next two weeks. Mr. Long believes that those regulations would not have any conflict with the proposed ordinance. Commissioner Hardeman asked Mr. Owen if he's aware of the publication of the NPS regulations in the next couple of weeks. Mr. Owen replied that he was not aware of it.

Legal Counsel Sekhri opined that this item does not require Commission action at this time. The Commission can direct staff to present their comments or recommendations at the August 13th Board of Supervisors hearing.

Commissioner McCarthy directed staff to draft a letter to the committee and testify at the hearing regarding the Commission's concerns. One of the issues they would like to address is Commissioner Hardeman's concern regarding the GGNRA's legislation as well as her concern regarding monitoring and enforcement issues. Commissioner McCarthy was concerned that although Mr. Long mentioned that the police department has the responsibility of monitoring and enforcing the legislation, there was no mention of it in the proposed legislation. She was also concerned that this restriction would create more issues in that area, at Pier 52 and any future boat launching ramps.

Commissioner Brandon inquired if this same limitation applies to personal motor boats. Mr. Owen replied that this is limited to personal watercraft as specifically defined in the ordinance. Commissioner Brandon commented that since motor boats have the same characteristics as the jet skis, it would be prudent to include them in the legislation. Mr. Owen indicated that that they do share some but not all of the characteristics. He stated that these concerns should be addressed to the Board of Supervisors.

Mr. Long indicated that conventional motor boats are far different in virtually every characteristic from personal watercraft. The California Air Board has demonstrated that they create 8.2, almost 9 times the pollution of a typical outward motor used on a boat. They are not comparable with regard to pollution emission. With regard to impacts on wildlife, the documented cases on jet skis harassing marine mammals are not comparable with typical outward powerboats. The safety problems jet skis caused have been documented in the newspapers and the media. There are a number of very unique impacts this watercraft has which include impacts upon other recreational users. They have been singled out for these reasons. Other communities around the country have either banned or severely restricted this type of watercraft. San Francisco would not be unique when this ordinance is put into effect.

Commissioner McCarthy commented that the Commission does not oppose the ordinance; it simply does not have enough information to move forward. It is hard for the Commission to support a restrictive ordinance when there are no testimony from people who wish to have the personal watercraft banned in San Francisco shoreline.

Commissioner Hardeman indicated that the Port has received numerous complaints regarding skateboarders and rollerbladers but received none on jet skiers. He finds it controversial to ban personal watercraft use by young people who might otherwise be doing other things if they were not jet skiing. He feels uncomfortable

supporting the ordinance in its present form. Commissioner Hardeman asked if Port staff has received any complaints from the Dolphin Club, particularly the swimmers, prior to the drafting of this ordinance. Ms. Roberta Jones replied that she was not personally aware of any complaints that have been lodged with Port staff.

Ms. Jones reiterated that she would draft a letter to the Board enumerating the Commission's concerns.

Mr. Long indicated that the handout he provided the Commission includes letters in support of the ordinance from five different organizations.

Ernestine Weiss asked if the harbor police would be monitoring the activity. Ms. Gail Feldman replied that there is a unit of the S.F.P.D. that monitor the waterways around the City. Commissioner McCarthy asked if the unit also monitors jet skiers. Ms. Feldman replied that if this ordinance were to pass, the police department would be responsible for ensuring that the jet skis stay outside of the 1200-foot zone as well as using the access corridor established by the ordinance and ensuring that they comply with the speed limit. Commissioner McCarthy asked if the Board is considering the cost of monitoring. Ms. Feldman replied that this unit is already in operation and the cost is included in the budget. Should the police department need an additional unit to enforce the ordinance, they would have to assess the situation.

7. PLANNING & DEVELOPMENT

A. Informational briefing on status of Port Planning and Development Division Projects.

Mr. Paul Osmundson, Director of Planning and Development, gave the Commission an update of the Port's development plan and the development projects that are in process. The Waterfront Plan that was approved by the Commission last year provided a blueprint for the future use of all Port property. Within that plan, staff has identified a number of opportunity areas where a mixed of commercial development, maritime activities and public access can be combined in a way to accomplish the overall goal of the Waterfront Plan -- reuniting the City with the waterfront. Port staff is continuing to work jointly with the Bay Conservation and Development Commission (BCDC) staff to come up with amendments to their plans for the waterfront in order to make our Waterfront Plan consistent with theirs. Negotiations will result in draft amendments to BCDC plans and procedures which will be released for public review and comment at the end of this year. The major planning projects are as follows:

1) Pier 52 Boat Launch Project – the design is nearing completion and might be out to bid in September.
2) Pier 43 Public Ferry Terminal immediately adjacent to the historic arch is being worked on cooperatively between the Port of San Francisco and the City of

Vallejo. The City of Vallejo has received $2 million to build and design the facility.

3) Hyde Street Fishing Harbor is nearing design completion. Staff anticipates approval to advertise for bid in November 1998.
4) Public access projects at Pier 43-½ and Pier 47A are ongoing.
5) Mid-Embarcadero Roadway Project begun in July (a two-year construction period) and it will result in tremendous public access improvements in front of the Ferry Building.
6) The Preliminary Negative Declaration for the Ferry Building has been published. Proposals have been sought from all four developers who submitted qualifications; proposals are due September 15. The evaluation and selection process will be done in October and the environmental reviews and historic approvals would also be completed by that time.
7) The Downtown Ferry Terminal Project is in process. Facilities & Operations Division has contracted a construction management firm to provide construction document review and construction management services and solicitation bids for construction should be out by October of this year.
8) Pier One - Port staff is in negotiations with AMB Property Corporation regarding a development agreement and lease. Staff is in the process of going through some preliminary design issues, talking to BCDC, and discussing the project with State Lands. The schedule calls for a development agreement master lease and sublease to be finalized by September 15th. Staff plans to obtain environmental review, design review and final approval of the development agreement by the Port Commission in December and move into the final design by early next year.
9) Ballpark is under construction. Staff expects to have the conceptual design of the Pavilion Building for Commission's approval on August 25th. Staff is also going through final review with BCDC regarding the ballpark and the parking lot for the Giants on SWL 337, south of China Basin Channel, which is anticipated to be in construction in July 1999.
10) Ballpark Ferry Landing is in progress. Staff expects to be back in two weeks and report on staff's approach to that project.
11) Rincon Park Restaurant is out to bid and staff's receiving a lot of interest for that project.
12) Bryant Street Pier (Pier 30/32 and SWL 330) - staff has conducted evaluations of potential sites for new cruise ship terminals. Pier 30/32 and Pier 27/29 are being considered for the cruise ship terminal. Staff expects to be before the Commission for an informational presentation and public hearing on the location of that cruise terminal in August. Staff is evaluating the financial feasibility and design related to Pier 30/32. Staff expects to form an advisory group in September to work on that project.
13) Broadway and the Embarcadero Hotel Project is in the process of being evaluated by consultants. Staff is moving directly towards the preparation of a developer request for proposal for a hotel at the Broadway site in September.
14) Pier 70 Opportunity Area – The Waterfront Land Use Plan identifies this area as a unique opportunity for historic preservation and adaptive reuse of this area.

Additional development would be allowed in the area in connection with public access. There is a strong interest from the private development community in this site. In the next two months staff will establish an advisory group and set the parameters for this project. Some of the issues that need to be addressed for this project would be the potential need to surplus some of the property.

15) Piers 15/17 and 27/29 – These sites are identified in the Waterfront Plan as transitional maritime areas recognizing that the consolidation of our cargo operations in the southern waterfront presents some potential opportunities to redevelop these two sites for mixed commercial and maritime activities that would respond to the goals for the northern waterfront. The piers are key opportunities for use and for public-oriented activities of the large surface area on both of the piers. Either site in the Waterfront Land Use Plan is identified as a potential location for a public market or a family-oriented recreational entertainment facility that appeal particularly to local and regional residents. Pier 27/29 is also being considered as a potential site for the new cruise ship terminal. As called for in the Waterfront Plan, staff will review the suitability of these sites for continued maritime use and review the concepts for development with the advisory group.

Commissioner Hardeman commented that the report was very good, brief and thorough and he appreciated staff's efforts in putting the report together. Mr. Osmundson said that he would pass along his comment to his staff.

Commissioner Brandon indicated that there are a lot of things going on at the Port and suggested that as we start developing the projects, setting up advisory groups and hiring consultants and contractors, that we include a more diverse representation of the City. Mr. Osmundson replied that would be a key factor in how staff would approach the projects.

Commissioner McCarthy commented that Mr. Osmundson and his staff are doing a great job. She asked if the cruise terminal report will be ready in August. Mr. Osmundson replied to the affirmative.

B. Informational report on the establishment of an Advisory Group for a Hotel Development at Broadway and The Embarcadero.

Mr. Paul Osmundson, Director of Planning and Development, indicated that the Waterfront Plan identified the Broadway Pier mixed-use opportunity area as one of the hotel sites. Based on the 7-year planning process staff undertook with the Waterfront Plan Advisory Board, this site was identified as opportunity for potential "high near-term revenue-generating potential for the Port." In the Waterfront Plan, it identified maximizing revenues as a strong consideration for development. The uses identified as acceptable land uses on these properties include hotel and such uses would be compatible with the existing mixed of residential and office use in the area and would help connect the waterfront to the City. These lots are among the few parcels on Port property for which hotel is an acceptable land use in the

Waterfront Plan. Proposition H and the Administrative Code or Planning Code now prohibits hotels on piers or within 100 feet. These sites are outside of the restricted area. The Waterfront Land Use Plan also indicates that a site-specific development process would be established for each site including an advisory group to provide inputting guidance throughout the Port as a development concept is defined in order to incorporate those concerns into request for qualifications and proposals. Port staff has established an advisory group for the Broadway Pier Mixed-Use Opportunity Area. Staff sought to have the advisory group made up of a diversity of interest and viewpoints and communities and other constituents that would be affected by the project as well as individuals knowledgeable in the hotel and tourism hospitality industries. The members of the group are:

1) Mike Franklin, General Manager
   Levi Plaza
2) Jasmine Kaw
   China Town Community Development Center
3) Gentle Blythe
   Telegraph Hill Neighborhood Center
4) Carrie Ludwig
   Condominium Owner @ Golden Gateway
5) Bob Wilhelm
   Past Chairman, Visitors & Convention Bureau
6) Carlos Arfe, Owner
   You & Leisure Travel @ Pier 27 Annex
7) Flicka McGurrin, Owner
   Pier 23 Café
8) Craig McCabe, Vice President
   Hornblower Yachts, Inc. @ Pier 3

The group will begin meeting this month and continue through September. Port staff has contracted with HVS International, an MBE firm specializing in appraisal and real estate consulting for the hospitality industry and Robin Chiang & Company, a MBE planning and architectural firm, whose principal served on the Waterfront Plan Advisory Board. Based on the input provided by this group, staff anticipates to seek Commission's approval to issue a request for qualifications/proposals for this site at its September 22nd meeting.

8. FINANCE & ADMINISTRATION

A. Approval of $705,000 in amendments to the Port's 1998/99 Capital Plan and Operating Budget. (Resolution No. 98-72)

Mr. Ben Kutnick, Director of Finance and Administration, indicated that the City & County of San Francisco, in preparation for the opening of the Pacific Bell Ballpark in 2000, has embarked on a project to upgrade, repair and expand public access to the Lefty O'Doul Bridge. The Mayor's office received $10 million in grant funds

for the project and was looking for $2 million in local match and has asked the Port for $705,000. Staff has identified funding sources in the Port's operating budget and capital plan for this year, previously approved by the Port Commission. The Burton Act and Transfer Agreement provisions require Port Commission to approve all expenditures of Port funds since the Mayor's office redirected the use of those funds.

Staff expects to be back to the Commission on August 25th for the approval of the amended capital plan. Staff will be seeking approval of approximately $8.5 million of congestion relief funds, a majority of which would be spent on capital improvements. Also at that time, staff will be seeking approval to fund those projects that were previously approved by the Commission.

For the record, Commissioner McCarthy asked Mr. Kutnick to state the four projects for which Port funds would be redirected. Mr. Kutnick enumerated the following:

Capital Plan:	
• Bulkhead Façade Painting	$200,000
• Pier 43-½ Public Access	$105,000
• Pre-Development Studies	$250,000
Operating Budget	
• Asbestos Assessment & Removal	$150,000
Total	$705,000

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-72 was adopted.

9. CONSENT CALENDAR

A. Approval of five-year lease with the California Foundation for the Environment and the Economy at Pier 35 (The Embarcadero at Bay Street). (Resolution No. 98-76)

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-76 was adopted.

10. NEW BUSINESS / PUBLIC COMMENT

Mr. Bob Miller, representing the Crab Boat Owners Association, gave the Commission a report of the recent activities with regard to fish sales at the wharf. Port staff informed him that some of the fish processors might be here today to complain about their activities. He gave the Commission copies of press clippings regarding the fish sales. Mr. Miller reported that this activity started in Southern California, then Half Moon Bay then San Francisco. They started this activity because the price for fish delivered to

wholesalers at the dock has been declining each year. The fishermen cannot fish for these prices and the fishing fleet is in serious jeopardy of economic dissolution. They have determined to market the fish on their own since the fish buyers were not willing to pay them a fair price. He informed Mr. Wong of their decision and asked to work with Port staff. Port staff has been wonderful and they've worked well together. The Dept of Fish and Game was more than helpful in helping them establish the protocol and method of handling the fish sales. The Health Department has been extremely helpful and cooperative as well. They have not had a negative word. It has been a wonderful experience and all of the fishermen at the wharf have smiles on their face. They go home with some money in their pockets and are able to support their families. The public has been very supportive and adores this idea. People are buying fish a half or a third of the price they would normally pay for. It's the finest and freshest fish that can be found in the coast of California or anywhere. They will work with the Port and develop this into what they hope would become an institution at the wharf. The public's acceptance of this has been fantastic. He thanked the Commission and Port staff for the tremendous cooperation and help they got. They will continue to work out the wrinkles. They've also received a lot of "thumbs up" from the labor unions.

Zeke Grader, Executive Director Pacific Coast Federation of Fisherman's Associations, indicated that they are the umbrella organization that represents many fishing groups up and down the coast including the Crab Boat Owners Association in San Francisco. He seconded Bob Miller's remarks and encouraged the Port to work with the fishermen in promoting the fish sale. This is forcing them to begin reconnecting with domestic consumers. The direct fish sales have been encouraging. They are going to start working and looking for joint commerce with the local farmer's market and are very encouraged with that. He believes that there should also be a place for direct sales off the fishermen's boats. Problems will arise but he's encouraged by Port staff because they are willing to work with them and figure out ways to facilitate the sales in order for it to be clean and orderly. They look forward to working with the Port in the future. It is a real compliment and real plus for Fisherman's Wharf.

Commissioner Hardeman commented that the handout received from Mr. Miller indicated that the salmon run at the Delta and inland borders is bountiful but the fishermen are having trouble catching the older fish because of El Nino. He inquired about El Nino's effect on them. Mr. Grader replied that El Nino affected the fish here in the early part of the season. However, there is a rapid change in water temperature now, which means the fish are getting bigger and fatter. El Nino was certainly a factor early in the season but a number of other factors also affected them this year such as the Japanese markets, the influx of the cheap farm fish and the Chileans who have been nailed by crate commission for dumping on U.S. market. This was an attempt to try and drive up competition. They can defeat those forces working against the fishing fleet by direct reconnection of the fishermen to the consumer.

Commissioner McCarthy encouraged Mr. Grader to pursue the farmer's market collaboration. Mr. Grader stated that they would encourage sales at farmer's market as well as direct sales to the public.

Jason Salvato, a fisherman and a Crab Boat Association Member, asked for the Commission's support because their subculture is slowly shrinking. Without a little encouragement and support from local politicians, congress people and senators, they would be gone. One of the positive things that the fish sale has brought out is the interaction between the public and the fishermen. A bond has been established and they are getting repeat customers as well as a lot of support. For the first time, he has a little confidence in what he's doing and money in his pockets.

Ernestine Weiss asked for about the height of the hotel at the Broadway and whether there will be underground parking. Mr. Osmundson replied that a portion of the site has a 40-ft. height limit and the other portion has an 84-ft. height limit. He has been contacted by some of the Golden Gateway owners, representatives, tenants association regarding the loss of parking and availability of parking in the area. This is one of the topics they will be discussing with the advisory group. They are studying the inclusion of another property at Front and Broadway Street. The inclusion of that site could allow the ability to develop more parking capacity as part of the development.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 5:32 p.m., the Commission Secretary announced that the Commission will withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT – This is specifically authorized under California Government Code Section 54957.

a. Confirmation of Appointment of Director of Real Estate

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) of the California Government Code Section 54956.9 (three cases).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792
- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

- Commercial and Interiors Construction, Inc. and CICO-R&W, a Joint Venture v. Port of San Francisco, San Francisco Superior Court No. 989-294

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

12. RECONVENE IN OPEN SESSION

At 6:30 p.m., Commissioners McCarthy, Brandon and Hardeman returned from executive session and convened in public session.

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

ACTION: Commissioner Brandon moved approval to settle the claim with Bay & Delta for $20,000. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to confirm Philip Smith's appointment as Director of Real Estate starting August 17, 1998. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to not disclose any other information discussed in the executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:32 p.m.

M. Delmendo
Commission Secretary

NOTICE

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THE PORT COMMISSION MEETING
SCHEDULED FOR

TUESDAY, AUGUST 25, 1998
AT 4:00 P.M.

HAS BEEN MOVED TO
3:00 P.M.

PLEASE MAKE A NOTE OF THE TIME CHANGE.

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SAN FRANCISCO PORT COMMISSION

SPECIAL MEETING – PLEASE NOTE THE TIME OF THE MEETING

▸ ▸ ▸ 3:00 P.M., TUESDAY, AUGUST 25, 1998 ◂ ◂ ◂

FERRY BUILDING, SUITE 3100
SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - August 11, 1998 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **MARITIME**

5. **REAL ESTATE**

6. **FACILITIES & OPERATIONS**

7. **PLANNING & DEVELOPMENT**

   A. Approval of the conceptual design of the Pavilion Building at Pacific Bell Ballpark near Third and King Streets. (Resolution No. 98-79)

   B. Authorization to apply for, accept and expend $2.0 million in federal grant funds (Section 1207 of the Transportation Equity Act) for a Ferry Terminal at China Basin. (Resolution No. 98-80)

8. **FINANCE & ADMINISTRATION**

   A. Approval of 1998/99 Capital Plan, as amended, and authorization to request a supplemental appropriation for $6,434,954 to fund the Capital Plan, as amended. (Resolution No. 98-78)

9. **CONSENT CALENDAR**

   A. Approval of month-to-month license with Synergy Rehabilitation, Inc. for storage space located in the Ferry Building. (Resolution No. 98-81)

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

An executive session has been calendared to instruct the real estate negotiator regarding responses received to the Request for Proposal.

b. Property: Pier 15/17
Person Negotiating:
Port of San Francisco: Peter Dailey, Director of Maritime
Parker Warehouse: Michael Parker

An executive session has been calendared to discuss real property negotiations between Parker Warehouse and the Port regarding Port property located at Pier 15/17.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) of the California Government Code Section 54956.9 (two cases).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792
- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (three cases).

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

13. ADJOURNMENT

PORT OF SAN FRANCISCO

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MEMORANDUM

August 17, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Approval of the Conceptual Design of the Pavilion Building at Pacific Bell Ballpark near Third and King Streets.**

DIRECTOR'S RECOMMENDATION: APPROVE PAVILION BUILDING DESIGN SUBJECT TO THE ATTACHED CONDITIONS.

On October 22, 1997 the Port Commission passed Resolution No. 97-89 approving the China Basin Ballpark Company's ("CBBC") schematic design and preliminary construction documents for the design of the China Basin Ballpark. The Resolution stated that the Pavilion Building would be subject to approval by the Port Commission when preliminary drawings became available. CBBC has now submitted Schematic Drawings and Preliminary Construction Documents to the Port Commission for its approval, as required under the Lease Disposition and Development Agreement between the Port and CBBC ("DDA").

Several of the schematic drawings have been reduced and included as an attachment to this memorandum.

The Pavilion Building will be a four-story structure located at the corner of Third and King Streets on the west side of the Ballpark. There is approximately 120,000 square feet of leaseable space and 24,000 square feet of mechanical/service area of which 6,000 square feet is devoted to mechanical equipment necessary to serve the Ballpark. The Lease Disposition and Development Agreement (DDA) for the Ballpark project permits a Pavilion Building development density of approximately 136,000 square feet.

CBBC has proposed uses for the Building including restaurant and retail (first floor), the Pacific Bell Learning Center (second floor), a fitness center (third floor), and Giants offices (fourth floor).

THIS PRINT COVERS CALENDAR ITEM NO. 7A

The Pavilion Building is intended to architecturally complement the Ballpark while also having its own identity appropriate to its year-round commercial/recreation uses. The Building finish will include some materials that match the Ballpark and some which establish a separate architectural character. The exterior will be clad in brick on the ground floor and potentially on the columns. A dark stucco-like material with detailed scoring patterns is proposed for above the ground floor with the top floor being lighter in color. The windows and doors will have divided industrial sash frames similar to those in the adjacent neighborhood and planned for the Ballpark. The roof will have an exaggerated cornice that can be lighted from below.

Two of the Port's design advisors, Mike Smiley and John Kriken, reviewed the design of the Pavilion Building. Based on their comments and comments from the Planning Department, the project architects will modify building materials and other architectural detailing to strengthen the building's identity as described in the attached 'Exhibit A' Design Review Condition of Approval. The Conditions of Approval address: finish materials on the facades; colors that complement the Ballpark; cornice and building connection detailing; use of the Third Street sidewalk for cafes, trees and walking space, and the Building's signage program. The Port's design advisors will review the architect's response to the Conditions of Approval with the Port's Executive Director having final approval authority.

The October 22, 1997 Port Commission approval of the Ballpark included seven design parameters for the Pavilion Building. Following are the parameters and an explanation of how they were addressed:

1. *The edge of the Pavilion Building should be held along Third Street generally as depicted in the schematic drawings for the Ballpark.* The Third Street edge is the same as was depicted on the schematic drawings.

2. *A constant second story cornice line on the Pavilion Building along Third Street and as it turns the corner toward the ballpark on Willie Mays Plaza is encouraged.* The Building massing was revised to bring all four levels out to Third Street, and the Building includes a strong, overhanging cornice.

3. *The north-facing wall of the Pavilion Building (fronting Willie Mays Plaza) should align with or extend beyond the line of the Ballpark ramp structure.* The north-facing wall is located approximately 25 feet north of the gates to the ramp structure.

4. *Some exposure of the ramp structure within the ballpark above the second level of the Pavilion Building is acceptable. However, it is the intent of this guideline that the visual impact of the ramp structure be minimized.* The ramp structure is largely hidden behind the four-story Pavilion Building.

5. *If the size of the Pavilion Building is scaled down, consideration should be given to shifting the Building footprint toward the north and enlarging Lefty O'Doul Plaza, one of the primary waterside public access areas.* The size of the Building was not scaled down.

6. *As called for in the Design & Access Element of the Waterfront Plan, the Pavilion Building should complement the Third Street Bridge, a City landmark.* The design of the Pavilion Building complements the bridge by having a simple and traditional overall building form that provides a backdrop to the bridge. The materials used on the Pavilion Building reflect the era in which the bridge and adjoining neighborhood was originally developed through the use of brick siding, industrial sash window frames, and metal brackets on the cornice.

7. *Cladding the Pavilion Building differently from the ballpark should be considered in the final design of the building. This may serve to integrate the scale and character of the overall development with the surrounding neighborhood.* The Ballpark will be clad in brick and the Pavilion Building will be clad in brick on the ground floor with a stucco-like material on the upper floors. In addition, the attached design condition number 2 requires that the color of the upper façade panels complement without copying the brick finish of the Ballpark.

The proposed signage program for the Pavilion Building will likely be submitted to the Port with the signage program for the Ballpark. The concept plans for the Pavilion Building indicate that the signage may be a combination of face signs, large pennant style banners on the building columns, kiosks, a video screen on the south facade, and other miscellaneous signs. In accordance with the approved ground lease, final approval of the signage program will be by the Executive Director.

Recommendation. Adopt the proposed resolution approving the architectural design of the Pavilion Building subject to the design conditions attached in 'Exhibit A'.

Prepared By: Paul Osmundson
Director, Planning and Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-79

WHEREAS, On July 16, 1997, the Port Commission, by Resolution No. 97-53 adopted California Environmental Quality Act ("CEQA") findings related to the ballpark project ("Ballpark"), and on July 22, 1997, by Resolution Nos. 97-54, 97-55, 97-56, 97-57 and 97-58, approved a Lease Disposition and Development Agreement ("DDA"), a Ground Lease, and a Non-Relocation Agreement and Guaranty, and a Purchase and Sale Agreement with Caltrans (collectively, "Transaction Documents") between the Port and The China Basin Ballpark Company LLC ("CBBC") to allow development of the ballpark project at the China Basin location; and,

WHEREAS, On June 26, 1997, the City Planning Commission, by Resolution No. 14398, and the Redevelopment Agency Commission, by Resolution No. 97-97, certified the Final Environmental Impact Report for the Ballpark ("FEIR") as accurate, adequate and objective and in compliance with the CEQA and the CEQA Guidelines; and,

WHEREAS, This Port Commission has reviewed and considered the information contained in the FEIR; and,

WHEREAS, For purposes of compliance with CEQA, the Port Commission, by Resolution No. 97-53, has adopted findings with respect to the FEIR as required by CEQA, which findings are on file with the Port Commission Secretary for File No. 97-53, which findings are incorporated herein by this reference as though fully set forth in this resolution; and,

WHEREAS, On October 22, 1997 the Port Commission, by Resolution No. 97-89 approved the schematic design of the Ballpark subject to specific conditions and resolved that the design of the Pavilion building shall be subject to review and approval of the Port Commission; and,

WHEREAS, Section 6.12 of the DDA requires the Port Commission, acting at a public meeting, to review and approve the design of the Ballpark, including the Pavilion Building, after submittal of Schematic Drawings and Preliminary Construction Documents; and,

WHEREAS, the Waterfront Land Use Plan, including its Design & Access Element provide development standards and design criteria for the project site; and,

WHEREAS, the "Scope of Development" within the DDA provides general design objectives and development standards for the project; and,

WHEREAS, the Port Commission has reviewed the Schematic Drawings and Preliminary Construction Documents for the Pavilion building in accordance with the above mentioned design and development standards; now therefore be it

RESOLVED, that based upon the Port Commission's review of the FEIR, the Port Commission hereby finds that : (1) modifications incorporated into the Project will not require important revisions to the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the Project is undertaken which would require major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and (3) no new information of substantial importance to the Project has become available which would indicate: (a) the Project will have significant effects not discussed in the FEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIR would substantially reduce one or more significant effects on the environment; and, be it further;

RESOLVED, that the Pavilion Building design incorporated in the attached Exhibit 'B' Schematic Drawings and Preliminary Construction Drawings for the project and as reviewed by the Port and as modified by the Conditions of Approval attached as Exhibit 'A', are consistent with the Port's development objectives and design criteria for the site, as described above; and, be it further

RESOLVED, that the Schematic Drawings and Preliminary Construction Documents for the Pavilion Building project are hereby approved subject to the conditions attached as Exhibit 'A' Design Review Conditions of Approval; and, be it further

RESOLVED, that the Port's Executive Director shall have the authority to review and determine whether design submittals by the project sponsor are consistent with the Design Review Conditions of Approval attached as Exhibit 'A'.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 25, 1998.

_____
Secretary

Exhibit A

Pavilion Building
Design Review Conditions of Approval

The following architectural components of the Pavilion Building shall be submitted to the Port for review by the Port's Design Advisors and to approval by the Port's Executive Director prior to obtaining the building or other construction permit for each affected area described below:

1. **Facade Columns.** The Building facades have decorative columns at approximately 22-foot intervals. The front and sides of the columns should be finished with a consistent material throughout the height of the column. Upon review of preliminary drawings the Port's design advisors recommended that brick that matches the Ballpark is the preferred material.

2. **Building Face Between Columns.** The ground floor of the building shall be finished in brick with precast concrete trim that matches the ballpark structure. The upper floors may be finished in a combination of windows and other well-detailed surface material that provides the Pavilion Building with an identity distinct from the Ballpark. The proportions of the spandrel in-fill shall be reviewed. The color of the upper panels should complement without copying the brick finish of the Ballpark. The project sponsor shall provide the Port with color and materials samples for review and approval.

3. **Signage and Other Graphics.** The project sponsors shall submit a complete signage package for review and approval by the Port. Signage for the Pavilion building may include face signs, banners, kiosks, a video screen on the south facade, and other miscellaneous signs. If the video screen is part of the proposed signage program on the south facade it shall be located on the easterly of the two banks of windows closest to Third Street and shall be architecturally integrated into the building.

4. **Upper Cornice.** The detailing and dimensions of the upper cornice and brackets shall be submitted to the Port for review and approval.

5. **Transition of the North and South Facades to the Ballpark.** Design and detailing of the area where the north and south facades of the Ballpark meet the Pavilion Building shall be submitted to the Port for review and approval.

6. **Third Street Service Access.** The service access on Third Street shall cross over the concrete sidewalk instead of being a driveway at street level. The sidewalk materials shall be incorporated across the service access.

7. **Third Street Sidewalk.** Plans for placement of street furniture, street trees and sidewalk cafe areas shall be submitted to the Port for review and approval.

PORT OF SAN FRANCISCO

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MEMORANDUM

August 19, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Authorization to apply for, accept and expend $2.0 million in federal grant funds (Section 1207 of the Transportation Equity Act) for a Ferry Terminal at China Basin.**

DIRECTOR'S RECOMMENDATION: APPROVE APPLICATION.

On July 10, 1997, by Resolution 97-61, the Port Commission authorized staff to issue a request for proposals ("RFP") to select an operator to finance, build and operate a ferry landing facility at China Basin. The objective was to provide ferry service to the ballpark and to utilize the facility for commuter service and excursions. The ferry operator would be responsible for investing the necessary capital to develop the berthing facilities and would operate the facilities as a private terminal.

The RFP was issued in June 1998 and the Port received one response, which it is currently reviewing. The proposal submitted did not propose any private capital investment in the facility and would rely upon the designated tax allocation bond proceeds alone to fund the facility. Concurrent with the issuance of the RFP for a commercial operator to build and operate the facility, the Port, with the assistance of the Giants, continued its efforts to identify and secure public sources of funding for a ferry terminal.

Under the provisions of Section 1207 of the Transportation Equity Act for the 21st Century (TEA-21), Caltrans and the Federal Highway Administration have requested submission of ferry boat and ferry terminal facilities proposals for fiscal years 1998 and 1999. A total of $48 million for the two fiscal years combined will be available to all States in the Ferry Boat Discretionary (FBD) fund. If authorized, the Port would request $2.0 million to fund the Ferry Terminal at China Basin.

THIS PRINT COVERS CALENDAR ITEM NO. 7B

In order to create a ferry terminal at China Basin that is served by the seven existing ferry terminals around the Bay, particularly on baseball game days, at least two and possibly four berths are needed. At present, there is only $500,000 of tax allocation bond proceeds set aside for the ferry landing which, at best, would create a modest (if not temporary) two-berth landing. The proposed $2.0 million grant would permit construction of a permanent facility better designed to meet long-term needs.

In addition to providing ferry access to the ballpark, the China Basin Ferry Terminal would serve commuter ferries to the China Basin/Mission Bay area, which is a focal point of San Francisco's multimedia industry and is a major center of job growth. Mission Bay will include the new UCSF campus and add up to 11,000 new residents, 30,000 employees and 10 million square feet of new instruction, R&D, office, retail and light manufacturing space to the area.

The Ferry Boat Discretionary fund proceeds require expenditure prior to September 1999. This schedule is compatible with the ballpark construction schedule, which requires the project to be completed in April 2000.

Prepared By: Paul Osmundson
Director, Planning and Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-80

WHEREAS, Under the City and County of San Francisco Charter, Section 3.581, the Port of San Francisco has the authority to apply for, accept and, after environmental certification and all necessary permits are obtained, expend Ferry Boat Discretionary funds; and,

WHEREAS, Caltrans and the Federal Highway Administration have solicited proposals for Section 1207, Ferry Boat Discretionary Funds for Fiscal Year 1998 and 1999; and,

WHEREAS, Ferry Boat Discretionary Funds may be used to support the ferry and excursion industry in the Unites States and on San Francisco Bay; and,

WHEREAS, The Port of San Francisco, pursuant to the Objectives of the Waterfront Land Use Plan, is committed to expanding ferry and excursion boat facilities to serve the entire waterfront including a Ferry Terminal at China Basin (the "Project"); and,

WHEREAS, On July 16, 1997, the Port Commission, by Resolution No. 97-53 adopted California Environmental Quality Act ("CEQA") findings related to the ballpark project ("Ballpark"), and on July 22, 1997, by Resolution Nos. 97-54, 97-55, 97-56, 97-57 and 97-58, approved a Lease Disposition and Development Agreement ("DDA"), a Ground Lease, and a Non-Relocation Agreement and Guaranty, and a Purchase and Sale Agreement with Caltrans (collectively, "Transaction Documents") between the Port and The China Basin Ballpark Company LLC ("CBBC") to allow development of the ballpark project at the China Basin location; and,

WHEREAS, On June 26, 1997, the City Planning Commission, by Resolution No. 14398, and the Redevelopment Agency Commission, by Resolution No. 97-97, certified the Final Environmental Impact Report for the Ballpark ("FEIR") as accurate, adequate and objective and in compliance with the CEQA and the CEQA Guidelines; and,

WHEREAS, This Port Commission has reviewed and considered the information contained in the FEIR, which included discussion of the Project for which the construction grant funds would be used; and,

WHEREAS, For purposes of compliance with CEQA, the Port Commission, by Resolution No. 97-53, has adopted findings with respect to the FEIR as required by CEQA, which findings are on file with the Port Commission Secretary for File No. 97-53, which findings are incorporated herein by this reference as though fully set forth in this resolution; now, therefore be it

RESOLVED, That based upon the Port Commission's review of the FEIR, the Port Commission hereby finds that : (1) modifications incorporated into the Project will not require important revisions to the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the Project is undertaken which would require major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and (3) no new information of substantial importance to the Project has become available which would indicate: (a) the Project will have significant effects not discussed in the FEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIR would substantially reduce one or more significant effects on the environment; and, be it further;

RESOLVED, That the Port Commission hereby authorizes the Executive Director to apply for, accept and expend $2,000,000 from the Ferry Boat Discretionary Fund (Section 1207 of the TEA-21) for the construction of a Ferry Terminal at China Basin.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 25, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

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Writer

MEMORANDUM

August 25, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of the 1998/99 Capital Plan as Amended and Authorization to Request a Supplemental Appropriation for $6,434,954 to Fund the Capital Plan as Amended.

DIRECTOR'S RECOMMENDATION: Approve Resolution

Attached is the Amended 1998/99 Capital Plan for the review and approval of the Port Commission. The plan funds $10,178,322 in total projects, which includes $3,554,404 for capital projects which were approved April 14, 1998 by Resolution 98-30, $150,000 for asbestos removal approved in the Operating Budget by Resolution 98-17, $5,768,918 for new projects, and $705,000 for project funding which was redirected to the seismic retrofit of the Third Street Bridge at the request of the Mayor's Office. The projects are funded from the following funding sources:

Funding Sources	*Amount*
Operating Fund	$3,515,540
Bond Funds - Previously Appropriated	38,864
Congestion Relief Funds	8,524,000
Less: Increase to Reserve to 25%	(1,900,000)
Total Available	$10,178,404

Supplemental Appropriation Request	
Total Projects to be Funded	$10,178,322
Less: Previously Appropriated 98/99 Budget	(3,704,404)
Less: Previously Appropriated Bond Funds	(38,964)
Total Supplemental Appropriation Request	$6,434,954

THIS PRINT COVERS CALENDAR ITEM NO. 8A

The Attached schedule "1998-99 Capital Plan Summary" reflects the changes from the 1998-99 Capital plan as approved in April 1998, and highlights the projects redirected to the Third Street Bridge Seismic Retrofit Project.

The following schedules are included in the Capital Plan:

- Capital Plan Summary – summarizes the capital project priorities.
- Project Descriptions – provides descriptions of all capital projects.
- Funding Available – identifies funding available for 1998/99 capital projects.
- Project Status Summary – provides a spending status report of previously approved capital and maintenance projects according to the City's FAMIS system.
- Funding Source – identifies the sources of funds allocated to new and on-going projects.
- Grant Summary – lists grants related to capital projects.

Projects Completed

The following projects were completed since the approval of the 1997/98 Capital Plan:

Title	*Amount Funded*
Income Property Improvements:	
Pier 26 Annex	$65,000
Dredging	480,000
Pier 5 Bathroom Construction	65,000
Pier 45 East Apron Repair	80,000
Asbestos Removal	200,000
Fisherman's Wharf Improvements:	
Lighting Improvements	370,000
Lagoon Improvements	250,000
Lagoon Railing Renovation	45,000
Tree Stand	20,000
Total Completed Projects	$1,575,000

Please see the attached 1998/99 Amended Capital Plan for more detail.

Prepared By: Ben Kutnick, Director of Finance & Administration

1998-99 CAPITAL PLAN SUMMARY

Project Number	Title	Facility	Division	Commission Approved 4/98	Approved 4/98 Redirected to Bridge Proj.	New Funded Projects	1998-99 Capital Plan Funding	Other Funding	Unfunded Amount	Total Project Cost
FUNDED PROJECTS APPROVED										
CPO663	Dredging	Central Basin	Maritime	$1,735,938	$0	$0	$1,735,938	$0	$0	$1,735,938
CPO664	Dredging	Pier 80	Maritime	163,466	0	0	163,466	0	0	163,466
CPO669	Hyde Street Harbor	Pier 45	Planning	1,050,000	0	0	1,050,000	3,500,000	0	4,550,000
CPO671	Third St. Bridge Seismic Retrofit	China Basin	DPW	705,000	0	0	705,000	11,295,000	0	12,000,000
CPO666	35' Gauge Crane Track Leveling	Pier 80	F&O	10,000	0	49,000	59,000	0	0	59,000
CPO662	Bulkhead Façade Painting	Various	F&O	0	200,000	0	200,000	0	0	200,000
CPO665	Pier 43 1/2	Pier 43 1/2	Planning	0	105,000	0	105,000	365,000	0	470,000
CPO667	Pre-Development Studies	Various	RE/Planning	0	250,000	250,000	500,000	0	0	500,000
CPO672	Asbestos Removal	Various	F&O	0	150,000	0	150,000	0	0	150,000
CPO673	Embarcadero Terminus Improvements	Pier 2	F&O	0	0	123,296	123,296	0	0	123,296
CPO674	Fisherman's Wharf Stall Piles	Fisherman's Wf	F&O	0	0	120,000	120,000	0	0	120,000
CPO675	Pier 80 Fender Repair	Pier 80	Maritime	0	0	600,000	600,000	0	0	600,000
CPO676	Piers 3, 29 & 31 Parapet Flashing	Piers 3, 29 & 31	F&O	0	0	50,000	50,000	0	0	50,000
CPO677	Roundhouse Plaza ADA Compliance	Roundhouse	Real Estate	0	0	150,000	150,000	0	0	150,000
CPO678	Pier 48 Electrical Service and Roof	Pier 48	Real Estate	0	0	583,000	583,000	0	0	583,000
CPO679	Pier 26 Roof	Pier 26	Real Estate	0	0	280,000	280,000	0	0	280,000
CPO644	Pier 47A Additional Funding	Pier 47A	F&O	0	0	498,107	498,107	930,000	0	1,428,107
CPO682	Pier 52 Electrical Pole Relocation	Pier 52	F&O	0	0	65,000	65,000	85,000	0	150,000
CPO683	Fender Pile Replacement Pier 92	Pier 92	Maritime	0	0	90,000	90,000	0	0	90,000
CPO684	Pier 80B Maintenance Dredging	Pier 80	Maritime	0	0	552,050	552,050	0	0	552,050
CPO685	Pier 80A Maintenance Dredging	Pier 80	Maritime	0	0	561,100	561,100	0	0	561,100
CPO686	Restoration of Pier 43 Arch	Pier 43	F&O	0	0	100,000	100,000	0	0	100,000
CPO687	Pier 35 West Maintenance Dredging	Pier 35	Maritime	0	0	350,000	350,000	0	0	350,000
CPO688	China Basin Park Shoreline Stabalization	China Basin	Planning	0	0	592,200	592,200	0	0	592,200
CPO689	Replace Piledriver Hammer/Leads	Pier 50	F&O	0	0	21,350	21,350	0	0	21,350
CPO690	Replace Sewer Main Grotto #9	Fisherman's Wf.	Real Estate	0	0	84,815	84,815	0	0	84,815
CPO691	Harbor Patrol Boat	Fisherman's Wf.	Real Estate	0	0	20,000	20,000	0	0	20,000
CPO692	Carillon Chime Replacement	Ferry Bldg.	F&O	0	0	19,000	19,000	8,000	0	27,000
CPO693	Emergency Seawall Repair	Scoma's	F&O	0	0	150,000	150,000	0	0	150,000
TOTAL FUNDED PROJECTS APPROVED				$3,664,404	$705,000	$5,308,918	$9,678,322	$16,183,000	$0	$25,861,322

1998-99 CAPITAL PLAN SUMMARY

Project Number	Title	Facility	Division	Commission Approved 4/98	Approved 4/98 Redirected to Bridge Proj.	New Funded Projects	1998-99 Capital Plan Funding	Other Funding	Unfunded Amount	Total Project Cost
PARTIALLY FUNDED PROJECTS APPROVED										
	Downtown Ferry Terminal - Additional Improvements	Ferry Plaza	F&O	$40,000	$0	$360,000	$400,000	$0	$1,000,000	1,400,000
	Port ADA Transition Plan	Various	F&O	0	0	100,000	100,000	0	212,000	312,000
TOTAL PARTIALLY FUNDED PROJECTS APPROVED				$40,000	$0	$460,000	$500,000	$0	$1,212,000	$1,712,000
TOTAL FUNDED PROJECTS				$3,704,404	$705,000	$5,768,918	$10,178,322	$16,183,000	$1,212,000	$27,573,322
NEW APPROVED UNFUNDED PROJECTS										
	Repair to Sewer and Water Pipes	Pier 50	F&O	$0	$0	$0	$0	$0	$68,200	$68,200
	Replace Piledriver/Pile Barge	Pier 50	F&O	0	0	0	0	0	283,096	283,096
	50 Ton Crane	Pier 50	F&O	0	0	0	0	0	459,685	459,685
	Scoma's Seawall Repair	Scoma Seawall	F&O	0	0	0	0	0	300,000	300,000
	Fisherman's Wharf Street Lighting Improvements Phase II	Fisherman's Wf.	F&O	0	0	0	0	0	440,000	440,000
	Fisherman's Wharf West Approach and Inner Lagoon Dredging	Fisherman's Wf.	Maritime	0	0	0	0	0	316,750	316,750
	Replace Water Main Pier 26	Pier 26	F&O	0	0	0	0	0	34,500	34,500
	Energy Efficient Lighting Retrofit	Various	F&O	0	0	0	0	0	35,000	35,000
	Substructure Repairs	Fisherman's Wf.	Real Estate				0		761,005	761,005
	Pier 29 Annex Stairs	Pier 29	Real Estate	0	0	0	0	0	80,000	80,000
	Roadway Pavement and Sidewalk Construction - Jefferson St.	Fisherman's Wf.	F&O	0	0	0	0	0	892,990	892,990
	Repair of Roadway and Seawall at Embarcadero and Taylor St.	Fisherman's Wf.	F&O	0	0	0	0	0	1,908,180	1,908,180
TOTAL NEW APPROVED UNFUNDED PROJECTS				$0	$0	$0	$0	$0	$5,579,406	$5,579,406

1998-99 CAPITAL PLAN SUMMARY

Project Number	Title	Facility	Division	Commission Approved 4/98	Approved 4/98 Redirected to Bridge Proj.	New Funded Projects	1998-99 Capital Plan Funding	Other Funding	Unfunded Amount	Total Project Cost
PREVIOUSLY APPROVED UNFUNDED PROJETS										
	Pier 35 Additional Improvements	Pier 35	F&O	$0	$0	$0	$0	$0	$453,900	$453,900
	Ferry Building/World Trade Sewers	Ferry Building	F&O	0	0	0	0	0	230,000	230,000
	Pier 28 Roof	Pier 28	Real Estate	0	0	0	0	0	331,000	331,000
	Illinois Street Bridge	Pier 94-96	Maritime	0	0	0	0	0	5,192,000	5,192,000
	High Mast Lighting Pier 94-96	Pier 94-96	F&O	0	0	0	0	0	600,000	600,000
	Mission Rock Resort Marina	Mission Rock	Real Estate	0	0	0	0	0	250,000	250,000
	Pier 45 Barge & Accessible Ramp	Pier 45	F&O	0	0	0	0	0	200,000	200,000
	Guest Berth at Ferry Building	Ferry Building	F&O	0	0	0	0	0	682,750	682,750
	Pier 45 West Apron Drainage	Pier 45	F&O	0	0	0	0	0	1,300,000	1,300,000
	Dumpsite Closure at Pier 94	Pier 94	F&O	0	0	0	0	0	4,415,000	4,415,000
	Substructural Rehabilitation	Pier 35	F&O	0	0	0	0	0	4,700,000	4,700,000
TOTAL PREVIOUSLY APPROVED UNFUNDED PROJECTS				$0	$0	$0	$0	$0	$18,354,650	$18,354,650
TOTAL UNFUNDED PROJECTS				$0	$0	$0	$0	$0	$23,934,056	$23,934,056
TOTAL ALL APPROVED PROJECTS				$3,704,404	$705,000	$5,768,918	$10,178,322	$16,183,000	$25,146,056	$51,507,378

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-78

WHEREAS, The Port Commission has previously approved $3,704,540 from the Operating Fund and $38,864 from Bond Funds to fund the 1998/99 Capital Plan; and

WHEREAS, The Port Commission has received $8,524,000 in congestion relief funds from the Department of Public Works; and

WHEREAS, The Port Commission desires to amend the 1998/99 Capital Plan to fund an additional $6,434,954 in capital projects using congestion relief funds received and deposited in the Port's operating fund; and

WHEREAS, The priority projects to be funded in the 1998/99 Amended Capital Plan are:

1. Dredging – Central Basin
2. Dredging – Pier 80
3. Hyde Street Harbor
4. Third St. Bridge Seismic Retrofit
5. 35' Gauge Crane Track Leveling
6. Bulkhead Façade Painting
7. Pier 43-½
8. Pre-Development Studies
9. Asbestos Removal
10. Embarcadero Terminus Improvements
11. Fisherman's Wharf Stall Piles
12. Pier 80 Fender Repair
13. Piers 3, 29 & 31 Parapet Flashing
14. Roundhouse Plaza ADA Compliance
15. Pier 48 Electrical Service and Roof
16. Pier 26 Roof Repair
17. Pier 47A Additional Funding
18. Pier 52 Electric Pole Relocation
19. Fender Pile Replacement at Pier 92
20. Pier 80B Maintenance Dredging
21. Pier 80A Maintenance Dredging
22. Restoration of Pier 43 Arch
23. Pier 35 West Maintenance Dredging
24. China Basin Park Shoreline Stabilization
25. Replace Piledriver Hammer/Leads
26. Replace Sewer Main Grotto #9
27. Harbor Patrol Boat
28. Carillon Chime Replacement
29. Downtown Ferry Terminal – Additional Improvements
30. Port ADA Transition Plan
31. Pier 35 Additional Improvements; now, therefore, be it

RESOLVED, That if funds become available from approved, funded capital projects the Executive Director is hereby authorized to allocate those funds to the approved projects with the next highest priority; and, be it further

RESOLVED, That the Executive Director is hereby authorized to cancel or postpone any funded project due to unforeseen future events or circumstances which may arise after the approval of the 1998/99 Amended Capital Plan and instead fund the capital projects with the next highest priority; and, be it further

RESOLVED, That the Port Commission approves the 1998/99 Amended Capital Plan; and, be it further

RESOLVED, That staff is directed to request a Supplemental Appropriation from the Mayor and the Board of Supervisors for $6,434,954 to fully fund the 1998/99 Amended Capital Plan.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 25, 1998.

_____
Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

August 20, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Month-to-Month License with Synergy Rehabilitation, Inc. for Storage Space located in the Ferry Building

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

Background:

Synergy Rehabilitation, Inc. ("Synergy") is currently a tenant in the Ferry Building under Port Lease Nos. 12028 and 12327, for approximately 1,799 sq. ft. of office space.

Synergy is currently in the process of relocating its offices from the third floor to the second floor of the Ferry Building. As a result of this move and its need for storage space, Synergy has proposed to lease approximately 368 sq. ft. of storage space located on the ground floor of the Ferry Building. The proposed use is for storage of files and office equipment. The Base rent for the License is $257.60 ($0.70 per sq. ft.) per month. The License will be on a month-to-month basis and commence upon Commission approval.

This License requires Port Commission approval because there are no Commission approved parameter rental rates for miscellaneous storage in the Ferry Building.

THIS ITEM COVERS CALENDAR ITEM NO. 9A

Proposed Terms:

1.	Premises:	Approximately 368 sq. ft. of storage space located on the first floor of the Ferry Building.
2.	Term:	The term shall be on a month-to-month basis commencing upon Commission approval of the License.
3.	Use:	The use shall be for file and office equipment storage.
4.	Base Rent:	The Base Rent shall be $257.60 per month ($0.70 per sq. ft.).

Recommendation:

Port staff has concluded that the proposed rental rate is fair market rent for the Premises. Port staff recommends approval of License No. 12643 with Synergy Rehabilitation, Inc. on a month-to-month basis.

Prepared by: Mark W. Lozovoy, Sr. Property Manager

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 98-81

WHEREAS, Section B3.581 of the City Charter empowers the Port Commission of San Francisco (the "Commission") with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Section B3.581 (g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Synergy Rehabilitation, Inc. has proposed to lease approximately 368 sq. ft. of storage space located in the Ferry Building for the purposes of file and office equipment storage; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby approves License No. 12643, between the Port Commission and Synergy Rehabilitation, Inc. on the terms and conditions outlined in the memorandum to the Port Commission for Agenda Item 9A for the August 25, 1998 Port Commission meeting, and the Port Commission authorizes the Executive Director of the Port, or his designee, to execute the same on behalf of the Port in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 25, 1998.

_____
Secretary

SAN FRANCISCO
PORT COMMISSION

AUGUST 25, 1998
MINUTES OF THE SPECIAL MEETING

DOCUMENTS DEPT.

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
AUGUST 25, 1998

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 3:03 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon and Michael Hardeman.

2. APPROVAL OF MINUTES - August 11, 1998 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

- Last Friday, the Governor signed the State budget with a $400,00 appropriation for the Fisherman's Wharf Harbor Pollution Prevention & Water Quality Program. Senator John Burton placed the money in the California Department of Boating and Waterways budget. Assemblyman Kevin Shelley also assisted in this effort. There were numerous letters sent by the recreational swimmers and Fisherman's Wharf Merchants in support of this money. This money will be used for improvements to enhance water quality at Fisherman's Wharf when the Hyde Street Harbor Project comes on-line. Some of the items that may be eligible for funding out of this grant include sewage and oil collection treatment stations. Mr. Wong thanked Senator Burton and Assemblyman Shelley for their leadership. He also thanked Veronica Sanchez for spearheading this effort. He recommended that the Commission send a letter of commendation formally thanking the State legislators for their help. Commissioner McCarthy concurred.

- The Pier 43 arch repair construction has been broken down into two parts: (1) The emergency disassembly and shoring necessary to make the damaged structure safe. This work is being performed on an emergency contract basis. (2) The repair and restoration construction - the consultant will prepare the design drawings and specifications for competitive bid contract. Insurance funds have been received for the first two phases of this work. Biller-McCoy Builders, Inc. (BMBI) has been selected to perform all phases of the emergency

construction. BMBI is a minority firm that has successfully constructed the emergency wall repairs at Pier 24-½. The Commission will be kept abreast of the progress as staff continues its negotiations with the insurance company.

- Per Commissioners McCarthy and Brandon's request, an Advisory Committee for the southern waterfront will be created. The committee will help staff evaluate leasing and development proposal for the areas from Pier 80 to the southern boundary of the Port. Port staff is in the process of soliciting individuals and organizations to be part of this advisory group. A list of individuals that staff will be approaching to be part of this committee has been provided to the Commission. Mr. Wong asked the Commission for their input on additional individuals that they feel should be part of the group.

- Mr. Wong introduced and welcomed Philip Smith, the new Real Estate Director, to the Port of San Francisco.

4. MARITIME

5. REAL ESTATE

6. FACILITIES & OPERATIONS

7. PLANNING & DEVELOPMENT

A. Approval of the conceptual design of the Pavilion Building at Pacific Bell Ballpark near Third and King Streets. (Resolution No. 98-79)

Mr. Paul Osmundson, Director of Planning and Development, indicated that on October 22, 1997, the Port Commission passed Resolution No. 97-89 approving the China Basin Ballpark Company's ("CBBC") schematic design and preliminary construction documents for the design of the China Basin Ballpark. At that time, the resolution stated that the Pavilion Building would be subject to subsequent approval by the Port Commission when preliminary drawings became available. CBBC has now submitted schematic drawings and preliminary construction documents to the Port Commission for its approval, as required under the Lease Disposition and Development Agreement. The Pavilion Building will be a four-story structure located at the corner of Third and King Streets on the west side of the ballpark.

Two of the Port's design advisors, Mike Smiley and John Kriken, reviewed the design of the Pavilion Building. Based on their comments and comments from the City Planning Department, the project architects will modify building materials and other architectural detailing to strengthen the building's identity. The conditions of approval address: finish materials on the facades; colors that complement the ballpark; cornice and building connection detailing; use of the Third Street sidewalk area, trees and walking space, and the building's signage program. The Port's

design advisors will review the architect's response to the conditions of approval with the Port's Executive Director having final approval authority.

Mr. Bair, representing the Giants, indicated that a year ago, they presented the ballpark design to the Port Commission. They are now presenting the conceptual design for the Pavilion Building, which will be located adjacent to the ballpark. He introduced George Wickwire, from Callison Architecture.

Mr. George Wickwire, Architect, made a correction to the staff's report. He clarified that the leasable space for the building is approximately 122,000 sq. ft., not 120,000 sq. ft. as noted in the staff report. As well, the square footage devoted to mechanical equipment necessary to serve the ballpark is 8,000, not 6,000.

He showed the Commission the schematic drawings of the Pavilion Building and gave a brief description of the structure and composition of the building. He enumerated some of their goals: (1) Extend the use of the sports entertainment facility. The ballpark is a 80-100 day a year event. The Pavilion Building is intended to be used 365 days a year, an amenity to the community, City and the greater region. (2) Bring together a creative tenant mix complementary to the ballpark and (3) Develop a financially successful project.

They have created a building that has a simple architectural solution that fits into the neighborhood. They think that it transitions the building or the larger ballpark structure down to a more pedestrian scale along Third Street. They have developed a graphics program that highlight the tenants and call attention to them so that people will be drawn to the facility, activating the corner of King and Third Streets 365 days a year.

The Pavilion Building is part of the South Beach entertainment district. The stadium is the major anchor but this building supplements it as well as the Catellus development. The Willie Mays plaza on the north side fronts the Pavilion Building. On the west side, it is faced with the Third Street and the Lefty O'Doul Plaza on the south side. The street level is intended to be populated with retail uses such as restaurants, eateries, lobby to a fitness center, the Giants retail store and other uses such as PacBell Learning Center, Fitness Center and the corporate offices of the Giants.

In the north side, which fronts the Willie Mays Plaza, they are trying to achieve a building that blends in and is complementary to the ballpark, concentrating on a plain façade at the top and a straightforward architecture on the body of the building. They have created a brow that is an overhang at the pedestrian level. The west façade stretches across Third Street. The retailers have their entries facing Third Street. The Pavilion Building, however, has to have an elevator lobby or a main entrance to the building and the floors above. The building wraps around the south side. They are trying to highlight the regular column of the bay that is representative of the structure. They are trying to create a facade that will allow

restaurateurs to activate that space. In doing so, they have constructed an awning system, a storefront system allowing restaurateurs to open up their doors. They encourage sidewalk café activity.

The building will have a precast base of 3-½ feet and the same brick material that the ballpark is made of and a precast belt across the building, which aligns with the overhang awning system. Above that is a stucco finish that culminates in a cornice system. They also would like to light the brow to draw attention to the building from a distance. A series of stanchions with banners at the columns will be created. He showed the Commission a site plan that highlighted the Lefty O'Doul Plaza, Second and King Streets. He also showed drawings of how the building integrates with the ballpark.

Commissioner Hardeman commented that the ballpark is coming along quite well. He mentioned that it is great to be a part of this development and nice to see it all coming together as dramatically as it has. He believes that the new ballpark is superior to Camden Yards.

Commissioner McCarthy commented that they have done a great job with the Pavilion Building.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-79 was adopted.

B. Authorization to apply for, accept and expend $2.0 million in federal grant funds (Section 1207 of the Transportation Equity Act) for a Ferry Terminal at China Basin. (Resolution No. 98-80)

On July 10, 19997, the Port Commission authorized staff to issue a request for proposals (RFP) to select an operator to finance, build and operate a ferry landing facility at China Basin. The objective was to provide ferry service to the ballpark and to utilize the facility for commuter service and excursions. The ferry operator would be responsible for investing the necessary capital to develop the berthing facilities and would operate the facilities as a private terminal.

The RFP was issued in June 1998 and the Port received one response from the China Basin Ballpark Company. Staff is currently reviewing their proposal. The proposal submitted did not propose any private capital investment in the facility and would rely upon the designated tax allocation bond proceeds to fund the facility. Concurrent with the issuance of the RFP, the Port, with the assistance of the Giants, continued its efforts to identify and secure public sources of funding for a ferry terminal. In 1991, the U.S. Congress passed ISTEA, the federal funding bill, which is a six-year program that provided funding for all transportation facilities in the U.S. In the last few months, Congress approved T21, the Transportation Equity Act for the 21st Century. Within that, Section 1207 has been included as the Ferry

Boat Discretionary Program, through which the Port has been very successful in securing funding for the Downtown Ferry Terminal as well as the City of Vallejo for the Pier 43 terminal.

Under the provisions of Section 1207, the Federal Highway Administration and Caltrans requested submission of ferry boat and ferry terminal facilities proposals for FY 98/99. A total of $48 million for the two fiscal years combined will be available to all States in the Ferry Boat Discretionary fund. If authorized, the Port would request $2 million to fund the Ferry Terminal at China Basin. There is $500,000 tax allocation bond proceeds set aside for the ferry landing which at best would create (if not temporary) a 2-berth landing. The proposed $2 million would permit construction of a permanent facility better designed to meet long-term needs. The Ferry Boat Discretionary fund proceeds require expenditure prior to September 1999. This schedule is compatible with the ballpark construction schedule.

Commissioner Hardeman indicated that this is another part of the ballpark that is wonderful to see happened and was glad to see it moving this far along. People thought that the Commission is not serious about this even after the Commission approved the lease. People thought that this was a way of getting the ballpark ballot passed. He emphasized that everybody, including the Giants, was dead serious about this.

Mr. Osmundson commended the Giants for their continued interest and efforts in the ferry facility. There were some people who doubted the Port's or the Giants' seriousness about this matter. This is evidence that we are deadly serious.

Commissioner McCarthy indicated that with this money, we can do a permanent facility that would accommodate Mission Bay. Mr. Osmundson stated that Port staff will be working closely with the Giants in terms of trying to maximize the ability of this facility to accommodate passengers. The Giants have prepared a conceptual design study of a two-berth facility. Depending on a number of factors, Port staff believes that it is possible to build a four-berth facility.

Mr. Osmundson thanked Dan Hodapp, Kari Kilstrom and his staff for working with the Giants on the Pavilion Building as well as the ferry application.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-80 was adopted.

8. FINANCE & ADMINISTRATION

A. Approval of 1998/99 Capital Plan, as amended, and authorization to request a supplemental appropriation for $6,434,954 to fund the Capital Plan, as amended. (Resolution No. 98-78)

Mr. Ben Kutnick, Director of Finance and Administration, indicated that a few weeks ago, the Port received $8,524,000 in congestion relief funds. The original capital plan approved in April was for $3.7 million. The Mayor's office redirected $705,000 for the Lefty O'Doul Bridge seismic retrofit. The total for the new funded projects is of $5.7 million, for a total of $10.2 million. A total of $25 million unfunded projects will be adjusted in the next several years.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 98-78 was adopted.

9. CONSENT CALENDAR

A. Approval of month-to-month license with Synergy Rehabilitation, Inc. for storage space located in the Ferry Building. (Resolution No. 98-81)

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 98-81 was adopted.

10. NEW BUSINESS / PUBLIC COMMENT

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion.

At 3:34 p.m., the Commission Secretary announced that the Commission would withdraw to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Ferry Building
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

b. Property: Pier 15/17
Person Negotiating:

Port of San Francisco: Peter Dailey, Director of Maritime
Parker Warehouse: Michael Parker

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) of the California Government Code Section 54956.9 (two cases).

- Bundox Restaurant, Inc. dba the Waterfront Restaurant v. Fine Line Group, Inc.; Fine Line Group, Inc. (cross-complainant) v. Port of San Francisco et. al., San Francisco Superior Court No. 993-792
- CICO-R&W v. CCSF, San Francisco Superior Court No. 989-618.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (three cases).

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1(a)2 and San Francisco Administrative Code 67.14(b)(2).

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1(a)(2) and San Francisco Administrative Code 67.14(b)(2).

At 5:00 p.m., Commissioners McCarthy, Brandon and Hardeman returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any other information discussed in the executive session. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:02 p.m.

Linda Richards
Commission Secretary